This is Affidavit #3 of Kenneth Ackles
made in this case on October 28, 2020

COMMISSION OF INQUIRY INTO MONEY LAUNDERING IN BRITISH COLUMBIA

The Honourable Mr. Austin F. Cullen, Commissioner

AFFIDAVIT #3 OF KENNETH ACKLES

I, Kenneth Ackles, of 408 – 4603 Kingsway Avenue, Burnaby, British Columbia, Manager of Investigations, AFFIRM THAT:

1. I am an employee of the Province of British Columbia in the Enforcement Division of the Gaming Policy and Enforcement Branch ("GPEB"), a participant in the Commission of Inquiry into Money Laundering in British Columbia, and as such, I have personal knowledge of the facts and matters deposed to in this affidavit, save and except where based on information and belief, and where so stated, I believe it to be true.

2. I affirm this affidavit to provide evidence to the Commission pursuant to a summons issued to me pursuant to the *Public Inquiry Act,* SBC 2007, c.9.

3. I have worked at GPEB since May 2013. From May 2013 to April 2016 I was an investigator assigned to the River Rock Casino Resort ("RRCR"). Since May 2016, I have been a member of the Joint Illegal Gaming Investigations Team ("JIGIT") within the Combined Forces Special Enforcement Unit BC ("CFSEU-BC"). I am currently the Manager of Investigations at JIGIT.

Experience with the RCMP

4. Prior to joining GPEB in 2013, I was employed as a member of the Royal Canadian Mounted Police ("RCMP") for 37 years. During my career with the RCMP, I had various assignments, including a posting in Penticton, the immigration and passport section in the Lower Mainland, and the intelligence section of the border integrity unit. In 2005, I joined the Richmond RCMP detachment and ultimately became a watch commander in 2007.

5. As watch commander of the Richmond RCMP detachment, I was responsible for officers on general duty, including street level drug investigations. I did not have much involvement with the RRCR beyond the occasional call for service, including complaints of driving under the influence and disturbances.

6. In this capacity, I was not responsible for major criminal investigations. Although calls about loan sharking and suspicious transactions may have come to general duty if there was a need for direct intervention by RCMP officers, I do not recall receiving such calls. I do not recall being involved in any files involving loan sharking or suspicious cash transactions at the RRCR as an RCMP officer between 2007 to 2012.

7. In September 2012, I retired from the RCMP.

Experience with GPEB

Investigator at River Rock Casino Resort

8. In May 2013, I joined GPEB as an investigator at the RRCR where I was partnered with Rob Barber. As an investigator, my primary responsibility was to follow up on reports submitted by service providers pursuant to section 86(2) of the *Gaming Control Act* ("*GCA*") ("section 86 reports").

9. GPEB is directed by a General Manager. One of the ways that GPEB communicates reporting requirements to BCLC and gaming service providers is through memoranda issued by the General Manager. Now shown to me and attached to this affidavit collectively as **Exhibit "A"** are copies of the memoranda dated December 16, 2002, December 3, 2010, July 26, 2012, July

17, 2015 and September 3, 2019. The memoranda provide a non-exhaustive list of conduct, activities and incidents that trigger a reporting obligation under s. 86(2) of the *GCA*.

10. As a GPEB investigator, I would start each workday by reviewing the section 86 reports that service providers recently submitted for the RRCR. On a typical Monday morning, I would review approximately 20-25 section 86 reports that had been submitted over the weekend. Over the remainder of a typical week the number of section 86 reports submitted would vary. Now shown to me and attached to this affidavit collectively as **Exhibit "B"** are copies of section 86 reports submitted on various dates in 2013. These section 86 reports are representative of the kinds of section 86 reports I would have reviewed as a GPEB investigator.

11. In most cases, the section 86 reports contained little information, largely because the reports must be submitted immediately at the time of the incident when information may not be readily available. I reviewed the section 86 reports and when it contained only minimal information I would seek further information.

12. To that end, it was my general practice to ask service providers, pursuant to section 86(1) of the *GCA,* for relevant documents, such as the iTrak entry and subject profile related to the reported incident.

13. iTrak is the records management system used by BCLC and its contracted service providers. Based on my limited understanding of iTrak, BCLC and its contracted service providers use it to report and record observations, notes and reports regarding any incidents.

14. In response to my request pursuant to section 86(1) of the *GCA,* I would often receive the information and observations that were recorded in iTrak as it related to a particular incident described in a section 86(2) report.

15. I understand the iTrak information I received in response to my section 86(1) requests was also contained in supplemental reports prepared by BCLC. I did not

receive copies of BCLC's supplemental reports. Now shown to me and attached collectively as **Exhibit "C"** are three BCLC Supplemental Reports, dated December 30, 2014, April 8, 2014, and April 10, 2014 (the "Supplemental Reports"). I did not receive copies of these Supplemental Reports; however, I did receive copies of the information contained within the Supplemental Reports.

16. Based on the information received from the service providers I would decide whether to continue with an investigation or record the incident for information and not take any further investigative steps. For example, if the section 86 report related to an incident that may have video footage I would have requested a copy of the recording or attended the RRCR to watch the surveillance tape and speak to surveillance staff directly. If a law enforcement agency had been involved, I would have considered consulting with the relevant law enforcement agency to determine whether they needed assistance in any follow-up to the incident. For example, I would make enquiries as to the availability of video recordings and obtain and supply copies to the police or offer assistance in identifying available witnesses.

17. At the conclusion of an investigation, when all information was collected and recorded, I would submit a report to my supervisor, Derek Dickson. In the course of our daily work routine, Mr. Dickson would occasionally advise me of what steps he took with respect to a particular report I had provided to him. Through these conversations I understood that my reports would be used for different purposes depending on the nature of the incident and my findings. For example, where the investigation and findings dealt with a registered gaming worker, Mr. Dickson may have forwarded my report to GPEB's licensing and registration division in Victoria, who may use the report to make a registration decision as to whether the registered individual would continue to be registered or terminated. Alternatively, if the investigation and findings related to suspected criminal activity, Mr. Dickson may have forwarded my report to a law enforcement agency, such as the RCMP.

Large Cash Transactions at the River Rock Casino

18. During my time as an investigator, I became increasingly concerned about the number of large cash transactions occurring at RRCR.

19. Based on my experience as a former RCMP officer, I suspected that some of these large cash transactions involved proceeds of crime. I based this suspicion on my experience as an RCMP officer where I was involved in many investigations into criminal groups that exchanged commodities for large sums of cash, including cross-border smuggling and drug conspiracies, as well as human trafficking cases. During these criminal investigations, I observed large volumes of cash which were packaged in a distinct manner. For example, I observed large packages of cash bundled together with elastic bands, which were then aligned or oriented in such a way to clearly show from the side the separated bundles within a larger "brick". These bricks often totalled approximately $10,000; I regularly observed these bundles of money being packaged in things such as shoe boxes, gift bags, backpacks, totes or duffle bags. Based on these experiences, I became suspicious that some of the large cash transactions I was observing as a GPEB investigator involved proceeds of crime, as they involved many of the same methods – large volumes of cash bundled together with elastic bands, oriented a particular way, and stored in backpacks, totes or duffle bags.

20. In contrast, on a single occasion in January 2014, an individual from China had $300,000 delivered directly to the RRCR by the Royal Bank of Canada; I observed the package when it was delivered and saw that the money was in $100 bills, which were packaged using paper bands.

21. On several occasions, I raised my concerns with my supervisor, Derek Dickson, as well as Joe Schalk and Larry Vander Graaf, regarding the number of large cash transactions occurring at the RRCR and the likelihood that these transactions involved proceeds of crime. Mr. Dickson instructed me to continue to monitor the situation, collect data, and make reports about these large cash transactions. I continued to raise my concerns with Mr. Schalk and Mr. Vander

Graaf until they were removed from their positions with GPEB in December 2014. I was advised by Len Meilleur and verily believe to be true that Mr. Schalk and Mr. Vander Graaf raised the issue of large cash transactions in B.C. casinos with higher-level officials within GPEB in the course of meetings held in Victoria, BC. However, I was not personally present for these meetings.

22. Despite me raising these concerns regarding large cash transactions, I did not observe any notable changes to the acceptance of cash at the service provider level from when I first joined GPEB in May 2013 to January 2018, when Dr. Peter German's interim recommendations were being implemented. The patrons involved in the large cash transactions continued to gamble, even though the buy-ins appeared to be suspicious.

23. As a result, in July 2015, Rob Barber and I began compiling information regarding large cash buy-in incidents at the RRCR. Now shown to me and attached to this affidavit as **Exhibit "D"** is a copy of the spreadsheet Mr. Barber and I created documenting large cash buy-ins at River Rock Casino in July 2015.

24. We created this spreadsheet because, in our view, reports of individual incidents did not adequately capture the scale of large cash transactions occurring at the RRCR. The July 2015 spreadsheet revealed that there was approximately $20 million in cash buy-ins, including $14 million in $20-bills, at the RRCR in July 2015. Mr. Barber and I provided a copy of the July 2015 spreadsheet to Len Meilleur, Executive Director of GPEB's Compliance, in August 2015. I do not recall participating in any meetings regarding the July 2015 spreadsheet; however, I had some follow-up discussions with Len Meilleur regarding questions or clarifications regarding some of the entries.

Paul Jin

25. As an RCMP officer I knew of an individual named Paul Jin, as he was considered a person of general interest to law enforcement agencies. However, I was never personally involved in any criminal investigations

relating to Mr. Jin while I was an RCMP officer and I did not know what types of criminal behaviour he allegedly engaged in.

26. Shortly after joining GPEB in 2013, I became aware of Mr. Jin's involvement in the gaming sector first through conversations with BCLC investigators at the RRCR and later through my own observations of him. To the best of my knowledge, there would often be group conversations, including individuals such as BCLC Investigators Steve Beeksma, Bill Boyd and Stone Lee, where we discussed Paul Jin. I was advised by one or more of these BCLC investigators, and verily believe to be true, that Mr. Jin had been a patron at the RRCR prior to being excluded by BCLC for a 5-year period for facilitating deliveries of cash to other casino patrons.

27. After he was barred from the premises, Mr. Jin began to show up on the periphery of the RRCR delivering bags. I became aware of Mr. Jin's actions by reviewing various section 86 reports, including the service provider comments and relevant video surveillance footage, which captured Mr. Jin's actions. Mr. Jin and his associates would often feature in the section 86 reports I reviewed and the reports I wrote. I never personally searched the bags which Mr. Jin delivered to the periphery of RRCR. However, on occasion I would review video footage that showed Mr. Jin passing bags to patrons on the periphery of the RRCR. The video footage I viewed showed the various patrons taking the bag to the cage in the casino, where the patron would remove cash from the bag that Mr. Jin handed to them and exchange the cash for casino chips. Now shown to me and attached as **Exhibit "E"** is a copy of a section 86 report dated July 9, 2015, that describes an incident relating to Mr. Paul Jin. When I received a section 86 report relating to Mr. Jin, I would follow the same process set out above at paragraphs 11-16.

Money Laundering, Loan Sharking and Proceeds of Crime

28. When I was an investigator with GPEB, I was informed by supervisors in GPEB, including Derek Dickson, Joe Schalk, and Larry Vander Graaf, that it was not GPEB's mandate to investigate money laundering and loan sharking

and it was not my job to do so, as the presentation of suspicious cash was only a potential indicator that the cash was not from a recognized financial institution. To prove that the cash was proceeds of crime would require investigation outside of the casino, which I understood that GPEB had neither the mandate nor the resources required to do. Mr. Dickson, Mr. Schalk, and Mr. Vander Graaf advised me of GPEB's mandate orally. While I did not receive a formal written direction from Mr. Dickson, Mr. Schalk or Mr. Vander Graaf to this effect, I did receive e-mail communications that were consistent with what they had advised me orally. For example, on September 26, 2013, I was copied on an e-mail sent by Larry Vander Graaf wherein Mr. Vander Graaf summarized that he "was clear that we are not capable of, nor should we be investigating, the criminal offences of Money Laundering and/or Loan Sharking and those investigations are complicated police of jurisdiction matters." Now shown to me and attached as **Exhibit "F"** is a copy of Mr. Vander Graaf's e-mail from September 26, 2013 and the associated chain of communications, including e-mails sent by Mr. Vander Graaf on September 24 and 25, 2013.

29. The messaging I received from Mr. Vander Graaf, Mr. Dickson, and Mr. Schalk was consistent with my understanding that investigations into money laundering, or more correctly proceeds of crime offences under the *Criminal Code of Canada,* are complex investigations that require extensive surveillance, specialized police investigative techniques, and potential court applications to facilitate the collection of evidence. GPEB investigators do not have the resources necessary to conduct this kind of specialized investigation. For example only, GPEB investigators drive their own personal vehicles and are reimbursed for mileage when conducting GPEB business. GPEB investigators are not provided with any security or protection from organized crime that may be encountered. Instead, GPEB investigators collected intelligence, which was then forwarded to GPEB supervisors who would provide the information to the relevant law enforcement agencies.

30. It was my understanding that law enforcement agencies, such as the RCMP, were responsible for investigating money laundering and loan sharking in

British Columbia; BCLC was responsible for the conduct of gaming on behalf of the provincial government and was the designated reporting entity to FINTRAC under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*; and GPEB's role, in relation to those incidents reported by the public or reported to GPEB through section 86 reports, was to conduct audits and investigations and to monitor BCLC and Service Providers' compliance with the *GCA* and its regulations. I understood that it was not GPEB's role to determine whether funds entering a casino were proceeds of crime and it was not GPEB's role to engage directly with gaming patrons at RRCR.

31. Throughout my tenure at GPEB, I have expressed my concerns about the large amounts of cash at the RRCR to my supervisors in conversations with individuals, such as: Derek Dickson, former Director of Casino Investigations; Joe Schalk, former Senior – Director of Operations and Investigations; Larry Vander Graaf, former Executive Director – Operations and Investigations; Len Meilleur, former Executive Director – Compliance (post-Larry Vander Graaf); and John Mazure, former Assistant Deputy Minister GPEB, as well as current supervisors including Cary Skrine, Executive Director, and Assistant Deputy Minister Sam MacLeod. I also provided a copy of the July 2015 spreadsheet, appended as Exhibit D, to Mr. Dickson, Mr. Schalk, and Mr. Meilleur, as it provided evidentiary support for my concerns regarding large cash buy-ins occurring at the River Rock Casino. I do not know what steps, if any, were taking as a result of me raising my concerns with these individuals regarding the large amounts of cash at the RRCR.

BCLC Investigators at River Rock Casino

32. During my time as a GPEB investigator, there were several BCLC investigators assigned to work at RRCR, including Steve Beeksma, Stone Lee, Duncan Gray, Bill Boyd, Jerome Wakeland, Mike Hiller, Brandon Norgaard and Tom Plante.

33. Although BCLC and GPEB had distinct roles, as discussed above at paragraph 30, in my view BCLC and GPEB investigators were performing similar

functions. BCLC and GPEB investigators examined the same incident, compiled information and conducted our investigations in a similar manner, and forwarded information to the appropriate entities, as required. More specifically, BCLC would forward information to FINTRAC, GPEB investigators would forward information to their supervisors, and both BCLC and GPEB would forward information to law enforcement agencies when necessary.

34. BCLC and GPEB investigators continue to perform similar functions to date in that both BCLC and GPEB compile information, conduct investigations, and forward information to law enforcement agencies. However, with the creation of JIGIT in 2016 (discussed below) GPEB now works with law enforcement agencies more directly by providing intelligence and investigation materials through the JIGIT process.

35. Mr. Barber and I developed positive working relationships with several BCLC investigators, including those listed above at paragraph 32. We often discussed the volume of cash entering the casinos with these BCLC investigators who advised me that they shared my concern regarding the large cash transactions occurring at the RRCR. During my early years with GPEB, I would use these positive working relationships to make informal recommendations to BCLC investigators regarding which patrons, in my view, ought to be banned. Recommending which patrons ought to be banned was not a formalized GPEB responsibility; however, over time and with the creation of JIGIT in 2016 this has turned into a more formalized process.

36. On January 16, 2019, I received an e-mail from Evan Blackwell asking me about the process whereby JIGIT recommends banning/sanctioning patrons whose behaviour is deemed suspicious from an anti-money laundering perspective. Now shown to me and attached to this affidavit collectively as **Exhibit "G"** is a copy of Mr. Blackwell's January 16, 2019 e-mail and my January 16, 2019 e-mail sent in response.

JIGIT

37. In 2016, JIGIT was formed within CFSEU-BC. JIGIT is mandated to investigate, disrupt and dismantle illegal gaming at the highest level possible involving organized crime. It is my understanding that illegal gaming relates to any unlawful activity inside or outside of lawful gaming environments. JIGIT was formed with fenced funding; while JIGIT can borrow resources from CFSEU-BC, JIGIT resources are generally not pulled off for non-JIGIT related operations.

38. In May 2016, Derek Dickson assigned me to be one of four GPEB members dedicated to JIGIT. GPEB members within JIGIT provide information from GPEB to JIGIT and liaise with BCLC, including their anti-money laundering unit. GPEB members' primary responsibility within JIGIT is to gather information and collect intelligence. For example, GPEB members provided information that was used by JIGIT when creating an operational proposal to address issues of illegitimate lenders who were using proceeds of crime to finance casino patrons for gambling at the RRCR. In a document dated January 6, 2017, Corporal Ben Robinson set out the operational proposal, including the background of the issue and the investigation plan in a document which was reviewed by the members of JIGIT. Now shown to me and attached to this affidavit as **Exhibit "H"** is a redacted copy of Corporal Robinson's draft operational proposal.

39. A second example of a JIGIT-project is Project Athena – a public-private partnership focused on combatting money laundering. Project Athena initially began as a CFSEU-BC – JIGIT probe into the use of bank drafts at casinos in the Lower Mainland and was premised on the importance of sharing information and working collaboratively with other stakeholders. It is my understanding that bank drafts could be used for money laundering purposes because they allowed for anonymous acquisition and use. Through Project Athena, JIGIT learned that there was no apparent standardization of the content required on the face of bank drafts which resulted in anonymity for the

user. It is my understanding through my involvement on Project Athena that Canadian banks are now making efforts to take a standardized approach on this issue making it harder for individuals to purchase bank drafts for criminal purposes.

40. Since its inception, Project Athena has expanded to a national focus with an increased scope. Project Athena involves various stakeholders including BCLC, financial institutions, FINTRAC, the Law Society of BC, Canada Border Services Agency, Canada Revenue Agency, and law enforcement agencies.

41. My role in Project Athena, and JIGIT matters generally, is to facilitate the inclusion of GPEB executive members at introductory meetings and ensure that GPEB continues to engage in information sharing processes that are within GPEB's capabilities and consistent with the applicable information sharing agreements.

42. Although a JIGIT-investigation has not yet resulted in criminal charges for money laundering or proceeds of crime offences, JIGIT has resulted in increased scrutiny of casino-based activity. For example, in 2017 there was a media announcement that JIGIT had made nine arrests after a year-long investigation into money laundering. Now shown to me and attached to this affidavit as **Exhibit "I"** is a copy of the 2017/2018 Ministry of Finance GPEB Quarterly Performance Report, 1st Quarter, which sets out some of the major milestones of the government's anti-money laundering strategy, including the work of JIGIT.

Manager of Investigations

43. Shortly after being assigned to be one of four GPEB members on JIGIT, I successfully competed for the Manager of Investigations role within GPEB. As Manager of Investigations, I am responsible for supervising the four GPEB investigative positions seconded to JIGIT, as well as assisting as an investigator in criminal investigations undertaken within JIGIT under the direction of the Command Triangle at JIGIT and the Executive Director of the Enforcement Division at GPEB.

44. In 2017, as Manager of Investigations, I drafted a document to the attention of Attorney General David Eby setting out how, in my view, GPEB could best address the issue of money laundering in British Columbia's casinos. I provided a copy of this document to Attorney General Eby's aide and relayed the information to Attorney General Eby personally at a briefing I attended in Victoria in or around September 2017 where Len Meilleur and John Mazure were also present. Now shown to me and attached as **Exhibit "J"** to this affidavit is a copy of my document to Attorney General David Eby. I have no knowledge of what the Attorney General did or did not do in response to this information.

45. In April 2019, as Manager of Investigations, I also drafted a summary document setting out the background of suspicious financial transactions in casinos in British Columbia and some of the anti-money laundering efforts to date. Now shown to me and attached to this affidavit as **Exhibit "K"** is a copy of my April 8, 2019 email to Cary Skrine including the attached summary document, dated April 8, 2019.

Gaming Integrity Group

46. In early 2018, the Gaming Integrity Group ("GIG"), formerly the Gaming Intelligence Group, was established as a collaborative network to discuss issues as they arose in the anti-money laundering environment. GIG is made up of representatives of the BCLC Anti-Money Laundering Group ("BCLC AML-Group"), GPEB Enforcement Division, and JIGIT, as represented by GPEB-seconded members and JIGIT police members. The GIG is a group comprised of front-line investigators which discuss individual incidents relating to money laundering in British Columbia. GIG's terms of reference define the group, identify the membership, and set the broad level goals and outcomes. Now shown to me and attached to this affidavit as **Exhibit "L"** is a copy of GIG's terms of reference.

47. Since 2018, GIG has had weekly conference calls and beginning in March 2019, GIG has had monthly in-person meetings. At the monthly in-person

meetings, an attendee will take the meeting minutes, which are later distributed to the meeting attendees, and reviewed and adopted at the next in-person meeting. Now shown to me and attached collectively to this affidavit as **Exhibit "M"** are copies of the minutes for the March 13, 2019, April 17, 2019, May 22, 2019, June 19, 2019, October 30, 2019, November 20, 2019, December 18, 2019, and January 16, 2020 GIG meetings. With the onset of the COVID-19 pandemic, we have not continued with our monthly GIG meetings.

48. However, throughout the COVID-19 pandemic, GIG has continued with its weekly conference calls. Through the GIG meetings, members share information about gaming issues from their respective perspectives, including law enforcement, regulatory, and revenue generation perspectives. By way of example only, GIG has discussed such issues as, trends or patterns in unusual financial transactions being reported, unsourced cash or chips being passed on the gaming floor, and individuals that may present public safety issues. Through these discussions, GIG has identified multiple incidents where further action, such as the imposition of cash/chip conditions on patrons or local or provincial barring under section 92 of the *GCA*, was required.

49. GIG has facilitated collaboration and cooperation with the various stakeholders and enabled us to better understand incidents that negatively impact the integrity of gaming in British Columbia.

AML Vulnerabilities Working Group

50. In February 2019, the AML-Vulnerabilities Working Group was formed. It is a joint GPEB working group that includes representatives from the Strategic Policy and Projects Division; the Compliance Division; the Enforcement Division; the Licensing, Registration and Certification Division; and GPEB representatives from JIGIT. The AML-Vulnerabilities Working Group is distinct from GIG in that it is more policy oriented than GIG. While GIG focuses on the individual, case incidents, the AML-Vulnerabilities Working Group focuses on the broader application of policy and procedures designed to address money laundering in British Columbia.

51. The AML-Vulnerabilities Working Group's terms of reference define the group, identify the membership, and set the mandate and functions of the working group. Now shown to me and attached to this affidavit as **Exhibit "N"** is a copy of the AML Vulnerabilities Working Group's terms of reference, last updated February 26, 2019.

52. The key function of the AML Vulnerabilities Working Group is to identify and bring forward potential money laundering vulnerabilities for consideration and, when appropriate, make recommendations to executive members of GPEB, such as Cary Skrine and Anna Fitzgerald, to address or mitigate the risks of these vulnerabilities.

53. As a member of the AML Vulnerabilities Working Group, I have received a copy of a working document entitled "Internal GPEB Table: Potential AML Vulnerabilities". I did not author this document, nor can I say with certainty who did. It is my understanding that Allison Lenz, Senior Policy and Program Analyst with GPEB, was involved in the creation of this document in some capacity.

54. The purpose of the table is set out in the document and described as establishing "a working document for the AML Vulnerabilities Working Group to use in tracking the status of identified issues". As a member of the AML Vulnerabilities Working Group I received a copy of the Internal GPEB Table: Potential AML Vulnerabilities for the purpose of reviewing and providing feedback on those vulnerabilities which I was lead contact on. For example, I would have reviewed and provided feedback on the Source of Wealth issue as well as the Post-Incident review issue. Now shown and attached to this affidavit as **Exhibit "O"** is a copy of the Internal GPEB Table: Potential AML Vulnerabilities document.

55. The AML Vulnerabilities Working Group would occasionally identify a potential AML vulnerability which it would later abandon for various reasons. For example, the AML Vulnerabilities Working Group may abandon a potential AML vulnerability if there was a lack of empirical data to substantiate the issue.

An example of a vulnerability which was later abandoned is the lack of support for front end service provider personnel by service provider management (the "Lack of Support Vulnerability"). I co-authored a draft vulnerability identification template for this proposed vulnerability. Now shown to me and attached as **Exhibit "P"** is a draft copy of the analysis for the proposed Lack of Support Vulnerability.

56. As a member of the AML Vulnerabilities Working Group, I have been the lead contact on the Pre-Know Your Customer vulnerability and the Patron Gaming Fund Source of Wealth vulnerability. In this capacity, I work with others to draft a document setting out an overview of the vulnerability, data that we have or require, existing policies or safeguards, and potential future work on this vulnerability. Now shown to me and attached collectively to this affidavit as **Exhibit "Q"** is a draft copy of the PGF Source of Wealth and Pre-Know Your Customer analysis.

57. As a member of the AML Vulnerabilities Working Group, I have also been the co-lead contact, along with Jim Fiddler, on the Lack of Post-Incident(s) Identification and Assessment Process vulnerability. In this capacity, I worked with others to draft a document setting out an overview of the vulnerability, data that we have or require, existing policies or safeguards, and potential future work on this vulnerability. Now shown to me and attached collectively to this affidavit as **Exhibit "R"** is a draft copy of the Lack of Post-Incident(s) Identification and Assessment Process analysis.

58. More recently, the AML Vulnerabilities Working Group has identified the potential of structured buy-ins under the $10,000 threshold as a potential money laundering vulnerability. The underlying concern is that proceeds of crime may still be entering casinos albeit in much smaller amounts. However, the work on this potential vulnerability is in progress and not fully developed.

Current status of large cash transactions at River Rock Casino

59. Since late 2015, I have observed a decline in the number of cash buy-ins exceeding $10,000 at casinos in British Columbia. Since January 2018, with

the introduction of the Source of Funds recommendation of Dr. Peter German, I have also observed significant decline of "bulk cash buy-ins", or large amounts of suspicious cash buy-ins.

60. However, I have more recently observed an increase in cash buy-ins just below $10,000. I have also continued to observe buy-ins at casinos where patrons use suspiciously packaged cash; for example, cash which is bundled with elastic bands or where there is a change in the orientation of the bills. I estimate that casinos continue to generate between 100-200 unusual financial transaction reports each month.

Independent Gaming Control Office

61. More recently, I have been involved in discussions regarding the replacement of GPEB with the Independent Gaming Control Office ("IGCO"). These discussions have been general information sessions to prepare for transitioning to the IGCO. They were led by Cary Skrine, Executive Director of the Enforcement Division, and involved other Directors and Regional Directors within GPEB including Ed Hipsz, A/Director of the Gaming Intelligence Unit, Peter Werner, Regional Director of the Victoria Enforcement Division, Kris Knight, Regional Director of the North District Enforcement Division, and Philip Montgomery, Regional Director of the South East District Enforcement Division. In these discussions, I have been consulted regarding potential legislative amendments and have been asked to research those elements that may affect investigator roles, such as identifying and enforcing provisions of the *GCA*.

AFFIRMED BEFORE ME at)
Kelowna, British Columbia, this 28th)
day of October, 2020.)
SGT. 48698)

A commissioner for taking affidavits)
for British Columbia)

KENNETH ACKLES

BRITISH COLUMBIA

This is EXHIBIT "A" referred to in the affidavit of KENNETH ACKLES affirmed before me in Kelowna, BC this 28, day of October, 2020.

SG7.48698

A Commissioner for taking Affidavits in British Columbia

Gaming Policy and Enforcement Branch

Investigation Division

December 16, 2002

TO: ALL REGISTERED GAMING SERVICE PROVIDERS

RE: GUIDELINES FOR REPORTING – SECTION 86 GAMING CONTROL ACT

What Must Be Reported:

Any suspected or real conduct, activity or incident that affects the integrity of gaming and horse racing, including (but not limited to) the following *Criminal Code* and *Gaming Control Act* offenses occurring within legal gaming venues:

- Cheating at play
- Thefts affecting the integrity of the game (e.g. thefts from the house or by a gaming worker)
- Fraud
- Money laundering
- Persons suspected of passing counterfeit currency
- Loan Sharking
- Robbery
- Assault
- Threats against, or intimidation of, gaming employees
- Unauthorized lottery schemes
- Persons prohibited for known or suspected criminal activity
- Unregistered gaming workers; and
- Unregistered gaming service providers

Offenses occurring outside a legal gaming venue must be reported if it involves a registered gaming service provider or registered gaming worker

.../2

When to Report

- Must be reported without delay.

Where to Report

- Regional Manager, GPEB Investigation Division, as outlined in Appendix "A" - (Gaming Facilities By Region).

How to Report

- Reporting must be in hard copy form
- By facsimile to Regional Manager, GPEB Investigations Division as outlined in Appendix "B" – (Section 86 GC Act Report).
- In emergency or urgent situations, GPEB Investigative Division "On Call" Investigator in your region can be contacted by pager as outlined in Appendix "C".

ANY CLARIFICATION ON REPORTING GUIDELINES SHOULD BE REFERRED TO THE REGIONAL MANAGER, INVESTIGATION DIVISION IN YOUR AREA.

Your cooperation in matters of mutual interest is appreciated.

Larry Vander Graaf
Director, Investigation Division
Gaming Policy & Enforcement Branch

Attachments

pc: Doug Penrose, Vice President, BC Lottery Corporation
Terry Towns, Director, Corporate Security, BC Lottery Corporation
Rick Saville, Director Registration, GPEB
Joe Schalk, Regional Manager, GPEB, Lower Mainland Regional Office
Al Giesbrecht, Regional Manager, GPEB, Vancouver Island Regional Office
Barry Halpenny, Regional Manager, GPEB, Interior Regional Office
Bob Chamberlain, Regional Manager, GPEB, Northern Regional Office

Ministry of Public Safety and Solicitor General

Gaming Policy and Enforcement Branch

Suite #408
4603 Kingsway Avenue
Burnaby, B.C. V5H 4M4

[redacted]

BRITISH COLUMBIA
The Best Place on Earth

Know your limit, play within it.

December 3, 2010

Log # 453705

To: All Registered eGaming Service Providers

Re: ***Terms and Conditions of Registration***
Reporting of Offences – Section 86(2) Gaming Control Act

The Gaming Policy and Enforcement Branch is responsible for the overall integrity of gaming and horse racing in British Columbia, as outlined in Section 23 of the *Gaming Control Act*.

For the purposes of this letter:

- "eGaming" means a suite of lottery schemes that are accessible to the player on or through an internet connected device; and
- "eGaming Services Provider" means any registrant that provides services that are required for, or comprise any component of, the activities of conducting, managing, operating or presenting eGaming, including any related or ancillary functions.

Section 86(2) of the *Gaming Control Act* requires a registrant to notify the Branch, without delay, about any conduct, activity or incident occurring in connection with a lottery scheme or horse racing that may be considered contrary to the *Criminal Code* of Canada, or British Columbia's *Gaming Control Act* or *Gaming Control Regulation*.

The following Terms and Conditions of Registration, which provide specificity to the requirements of the *Act*, are effective immediately:

1. All registered service providers must advise the Branch, without delay, of any real or suspected conduct, activity or incident that affects the integrity of gaming. This includes, but is not limited to:

   a. Cheating at play (includes collusion between players);
   b. Thefts affecting the integrity of the game;
   c. Fraud (includes using inappropriate credit cards, bank cards or electronic payment);
   d. Money laundering (includes suspicious currency transactions or electronic fund transfers);
   e. Suspected passing of counterfeit currency or credit cards;

Ministry of Public Safety and Solicitor General
Gaming Policy and Enforcement
Assistant Deputy Minister's Office
Mailing Address:
PO BOX 9311 STN PROV GOVT
VICTORIA BC V8W 9N1
[redacted]
Location:
Third Floor, 910 Government Street
Victoria, BC
Web: www.pssg.gov.bc.ca/gaming

f. Loan sharking;
g. Robbery;
h. Assault;
i. Threats against, or intimidation of, players or registrants;
j. Unauthorized lottery schemes;
k. Participation by legally prohibited persons;
l. Use of unregistered gaming services providers; and
m. Minors playing or attempting to play egaming.

2. Registered gaming services providers must advise the Branch, without delay, of any real or suspected conduct, activity or incident that affects the integrity of gaming that involves a registered gaming services provider or registered gaming worker.

The Investigations and Regional Operations Division of the Branch will provide guidelines and procedures for reporting integrity issues, including a simple, standard reporting form.

Copies of reports will generally be shared with the BC Lottery Corporation.

3. Under Section 79 of the *Gaming Control Act,* Branch investigators and inspectors have full access to premises, including, but not limited to, records, data and gaming supplies used in the delivery of eGaming for the purpose of conducting investigations, inspections, audits, or for monitoring compliance with the *Act.*

Your obligation to report integrity issues directly to the Branch does not alleviate you of any contractual requirement to report to the BC Lottery Corporation.

Thank you for your co-operation.

Sincerely,

Derek Sturko
Assistant Deputy Minister

pc: Michael Graydon, President and CEO, BC Lottery Corporation
Terry Towns, Vice President, BC Lottery Corporation
Larry Vander Graaf, Executive Director, Investigations and Regional Operations, GPEB
Rick Saville, Executive Director, Registration and Certification, GPEB
Terri Van Sleuwen, Executive Director, Audit and Compliance, GPEB

BRITISH COLUMBIA
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Know your limit, play within it.

December 22, 2010

Log # 453705

Michael Graydon
President & CEO
BC Lottery Corporation
2940 Virtual Way
Vancouver BC V5M 0A6

Dear Mike,

Re: Terms and Conditions of Registration
Reporting Offences – Section 86(2) Gaming Control Act

Thank you for your letter of December 10, 2010 concerning the issues for BCLC around eGaming reporting of offences. Section 86(2) of the Gaming Control Act ("the Act") legally requires all registrants to report to GPEB immediately about any conduct, activity or incident involving the commission of an offence under the Act, or under the Criminal Code when it is relevant to a lottery scheme.

The purpose of my communication was to ensure that registered eGaming Services Providers were aware of this legal obligation to report real or suspected offences. We understand that companies providing gaming supplies to BCLC will rarely have a requirement to report at all. However, we do expect companies providing operational services for ePoker such as St. Minver, which is providing Fraud and Collusion reporting, and Boss Media, operators of the Moncton Call Centre will be aware of matters that must immediately be reported directly to GPEB. The Investigations and Regional Operations Division of the Branch have directed registered eGaming Service Providers, G2, St. Minver and Boss Media to directly report to the Branch.

Should you wish to discuss or clarify this matter further, please do not hesitate to have your staff contact the Investigations and Regional Operations Division of the Branch.

Your understanding and cooperation in this matter is appreciated.

Sincerely,

Derek Sturko
Assistant Deputy Minister

pc: Terry Towns, Vice President, BC Lottery Corporation
Larry Vander Graaf, Executive Director, Investigations and Regional Operations, GPEB
Rick Saville, Executive Director, Registration and Certification, GPEB
Terri Van Sleuwen, Executive Director, Audit and Compliance, GPEB

Ministry of Public Safety and Solicitor General

Gaming Policy and Enforcement
Assistant Deputy Minister's Office

Mailing Address:
PO BOX 9311 STN PROV GOVT
VICTORIA BC V8W 9N1
[redacted]

Location:
Third Floor, 910 Government Street
Victoria, BC

Web: www.hsd.gov.bc.ca/gaming

Thank you for your co-operation.

Sincerely,

Derek Sturko
General Manager

pc: Doug Penrose
Larry Vander Graaf
Terry Towns

BRITISH COLUMBIA

Know your limit, play within it.

July 26, 2012

Log # 482987

To: All Registered Gaming and eGaming Service Providers

Re: Terms and Conditions of Registration:
Reporting by Service Providers – Section 86(2) Gaming Control Act *and*
Section 34(1)(t) Gaming Control Regulation

This Memorandum consolidates and replaces the Memoranda from the General Manager/Assistant Deputy Minister, Gaming Policy and Enforcement Branch (GPEB) dated December 16, 2002 and December 3, 2010 in relation to the legal reporting requirements for Service Providers.

GPEB is responsible for the overall integrity of gaming and horse racing in British Columbia, as outlined in Section 23 of the *Gaming Control Act*.

Section 86(2) of the *Gaming Control Act* requires a registrant to notify the General Manager, GPEB, immediately, about any conduct, activity or incident occurring in connection with a lottery scheme or horse racing that may be considered contrary to the *Criminal Code* of Canada, or British Columbia's *Gaming Control Act*, or *Gaming Control Regulation*.

Section 34(1)(t) of the *Gaming Control Regulation* requires a service provider to immediately report to the General Manager, (GPEB) any conduct or activity at or near a gaming facility that is or may be contrary to the *Criminal Code*, the *Gaming Control Act*, or any *Regulation* under the *Act*.

1. To provide guidance for the reporting/notification requirement, all registered gaming service providers must advise the General Manager, GPEB, immediately, of conduct, activity or incident at or near a gaming facility that may be contrary to the *Criminal Code*, the *Gaming Control Act* or a *Regulation* under the *Act*. This includes but is not limited to:

   a) Cheating at play (includes collusion between players or individuals);
   b) Thefts (includes theft affecting the integrity of the game, thefts from the house, or by a gaming worker);
   c) Fraud (includes using or attempting to use stolen or forged credit cards, bank cards, or electronic payment);
   d) Money laundering (including suspicious currency transactions or suspicious electronic fund transfers);

.../2

Ministry of Energy and Mines
Gaming Policy and Enforcement Branch
Assistant Deputy Minister's Office
Mailing Address:
PO BOX 9311 STN PROV GOVT
VICTORIA BC V8W 9N1
[redacted]
Location:
Third Floor, 910 Government Street
Victoria, BC
Web: www.pssg.gov.bc.ca/gaming

e) Suspected passing of counterfeit currency where the identity of passer is known;

f) Loan sharking;

g) Robbery;

h) Assault;

i) Threats against, or intimidation of, players or registrants;

j) Unauthorized lottery schemes;

k) Persons legally prohibited;

l) Unregistered gaming service providers;

m) Minors found in or participating in gaming in a gaming facility; and

n) Minors playing or attempting to play eGaming.

2. Registered gaming service providers must advise GPEB, without delay, of any real or suspected conduct, activity, or incident that affects the integrity of gaming or horse racing that involves a registered gaming service provider or registered gaming worker. Gaming service providers should follow the reporting procedures found in Appendix A.

The Investigations and Regional Operations Division, GPEB will continue to provide guidelines and procedures for reporting integrity issues.

Under Section 79 of the *Gaming Control Act GPEB* investigators and inspectors have full access to gaming facilities and premises, including but not limited to records, data and gaming supplies used in the delivery of eGaming. This access is for the purpose of conducting investigations, inspections, audits and for monitoring compliance with the *Act*.

Your obligation to report integrity issues to GPEB does not alleviate you of any contractual requirements to report to the BC Lottery Corporation.

Your understanding and cooperation is appreciated.

Sincerely,

Douglas S. Scott
General Manager and Assistant Deputy Minister

pc: Michael Graydon, President and CEO, BCLC
Terry Towns, Vice-President, Corporate Security and Compliance, BCLC
Larry Vander Graaf, Executive Director, Investigations and Regional Operations, GPEB
Terri Van Sleuwen, Executive Director, Audit and Compliance, GPEB
Len Meilleur, Executive Director, Registration and Certification, GPEB

BRITISH COLUMBIA

Know your limit, play within it.

July 17, 2015

Log: 344686

To: British Columbia Lottery Corporation
All Registered Gaming and eGaming Service Providers

Re: Reporting to GPEB by Gaming Service Providers-Section 86(2) *Gaming Control Act*, and Section 34(1) (t) *Gaming Control Regulation*

This Memorandum consolidates and replaces the Memorandum for the General Manager-Assistant Deputy Minister, Gaming Policy and Enforcement Branch (GPEB) dated July 26, 2012 in relation to legal reporting requirement for Gaming Service Providers.

GPEB is responsible for the overall integrity of gaming and horse racing in British Columbia, as outlined in Section 23 of the *Gaming Control Act* (GCA).

Section 86(2) of the GCA requires a registrant to notify the General Manager GPEB immediately , about any conduct , activity or incident occurring in connection with a lottery scheme or horse racing, if the conduct, activity or incident occurring in connection with a lottery scheme or horse racing involves or involved the commission of the offence under the *Criminal Code* that is relevant to a lottery scheme or horsing racing or the commission of an offence under British Columbia's *Gaming Control Act.*

Section 34(1)(t) of the *Gaming Control Act Regulation* requires a services provider, unless they are a lottery retailer, to immediately report to the General Manager, GPEB any conduct or activity at or near a gaming facility that is or may be contrary to the *Criminal Code* of Canada, or British Columbia's *Gaming Control Act*, or *Gaming Control Regulation.*

It is imperative that Gaming Services Providers report such conduct and activities to the General Manager GPEB without delay. GPEB will immediately assess and determine if the reported matter requires regulator intervention. Gaming Services Providers will not internally share or distribute the reported matter without the approval of GPEB.

The reporting/notification requirements under Section 86(2) and 34(t) includes but is not limited to, the following conduct, activities or incidents:

a) Cheating at Play which includes collusion between players, or dealers;
b) Thefts, meaning included theft affecting the integrity of the game; thefts from the house or a lottery retailer site; thefts by a registered gaming worker; thefts of IVS tickets; and thefts committed against charitable gaming;
c) Money Laundering including Suspicious Currency transaction or suspicious Electronic fund transfers;

Ministry of Finance
Gaming Policy and Enforcement Branch
Assistant Deputy Minister's Office
Mailing Address:
PO BOX 9311 STN PROV GOVT
VICTORIA BC V8W 9N1
[redacted]
Location:
Third Floor, 910 Government Street
Victoria, BC
Web: www.gaming.gov.bc.ca

d) Loan Sharking;
e) Robbery which involves a gaming facility or a patron leaving the gaming facility;
f) Threats by or against a Registered Gaming Worker;
g) Assault by or of a Registered Gaming Worker;
h) Conducting unauthorized lottery schemes;
i) Counterfeit Gaming Chips;
j) Minors found in or participating in gaming activities in a gaming facility;
k) Minors playing Play Now;
l) Persons legally prohibited from gaming facilities;
m) Unregistered gaming service providers;
n) Fraud including passing counterfeit lotto tickets, casino chips or involving a lottery scheme; and
o) Personation or False Identification incidents which include attempts to claim prizes or payouts.

Gaming Services Providers will follow the reporting procedures found in attached Appendix "A" with respect to reporting matters under Section 86(2) of the *Gaming Control Act* and Section 34(1) (t) of the *Gaming Control Regulation*. Reported matters under Section 34(1) (t) of the *Gaming Control Regulation* will be forwarded to the Executive Director of Licensing, Registration and Certification Division, GPEB.

The Compliance Division, GPEB will continue to provide guidelines and procedures for the reporting of integrity issues as outlined in Appendix "A".

Your obligation to report integrity issues to GPEB does not relieve you of any contractual requirements to report matters to the BC Lottery Corporation.

I would appreciate you ensuring that this updated document is distributed to your compliance or governance staff. Your cooperation is appreciated.

Yours sincerely,

John Mazure
Assistant Deputy Minister

c.c. Len Meilleur, Executive Director Compliance Division
Angela Swan, Executive Director Licensing, Registration, and Certification Division
Brad Desmarais – VP Corporate Security and Compliance BCLC

BRITISH COLUMBIA

Know your limit, play within it.

September 3, 2019

To: British Columbia Lottery Corporation (BCLC)
All Registered Gaming and eGaming Service Providers

Re: Reporting to the General Manager by BCLC and Gaming Service Providers Section 86(2) *Gaming Control Act*, and Section 34(1)(t) Gaming Control Regulation (as applicable)

This Memorandum consolidates and replaces the Memoranda for the General Manager, Gaming Policy and Enforcement Branch (GPEB) dated July 17, 2015, in relation to reporting requirements for BCLC and Gaming Service Providers.

GPEB is responsible for the overall integrity of gaming and horse racing in British Columbia, as outlined in Section 23 of the *Gaming Control Act* (GCA).

Section 86(2) of the GCA requires the lottery corporation, a registrant, and a licensee to notify the General Manager, GPEB, immediately about any conduct, activity or incident occurring in connection with a lottery scheme or horse racing, if the conduct, activity or incident occurring in connection with a lottery scheme or horse racing involves or involved the commission of an offence under the *Criminal Code* of Canada that is relevant to a lottery scheme or horse racing or the commission of an offence under the GCA.

Additionally, Section 34(1)(t) of the *Gaming Control Regulation* (GCR) requires a gaming service provider, unless they are a lottery retailer, to immediately report to the General Manager, GPEB, any conduct or activity at or near a gaming facility that is or may be contrary to the *Criminal Code* of Canada, the GCA, or the GCR.

When reporting to/notifying the General Manager, GPEB, the expectation is that BCLC and/or gaming service providers will provide comprehensive details in the first instance to ensure meaningful notification to meet reporting obligations. This will ensure that GPEB can immediately assess the notification and determine if the matter requires regulator intervention.

It is the collective responsibility of GPEB, BCLC and all Gaming Service Providers to protect personal information. Information received from Gaming Service Providers is communicated to GPEB securely, and GPEB takes its responsibilities around the collection, use, and disclosure of personal information very seriously. Gaming services providers are reminded not to distribute the reported matter without the approval of GPEB.

.../2

Ministry of Attorney General

Gaming Policy and Enforcement Branch
Assistant Deputy Minister's office

Mailing Address:
PO BOX 9311 STN PROV GOVT
VICTORIA BC V8W 9N1
[redacted]

Location / Courier Address:
Third Floor, 910 Government Street
Victoria, BC V8W 1X3

Web: www.gaming.gov.bc.ca

For the notification requirements under Section 86(2), reporting requirements under Section 34(1)(t) and any directive from the General Manager regarding reporting requirements, see attached Appendix "A".

The BCLC and Gaming Service Providers who are:

- Class A, B, or C casino service providers;
- Class A and B bingo service providers; or
- Community Gaming Centre service providers

will use the new File Transfer Protocol Secure (FTPS) Server described in Appendix "B" using the required reporting template in attached Appendix "C".

Gaming Service Providers who do not possess a class of registration specified above will continue reporting to the General Manager through their existing Section 86(2) reporting process.

Your obligation to report conduct, activities, or incidents in accordance with Section 86(2) and Section 34(1)(t) to the General Manager does not alleviate you of any contractual requirements to report matters to the BC Lottery Corporation.

Please ensure this updated document is distributed to the appropriate staff in your organization. Your cooperation is much appreciated.

Yours sincerely,

Sam MacLeod
General Manager and Assistant Deputy Minister

Appendix A

Section 86(2) and Section 34(1) (t) Reporting Requirements

The reporting/notification requirements under section 86(2) of the GCA, section 34(1)(t) of the GCR, and directives issued by the General Manager regarding reporting requirements includes but is not limited to the following conduct, activities or incidents:

a) Cheating at play; including:
    a) collusion between players, or dealers;
b) Thefts; including:
    a) theft affecting the integrity of the game;
    b) thefts from the house or a lottery retailer site;
    c) thefts by a registered gaming worker;
    d) thefts from patrons including Internal Voucher System tickets;
    e) thefts committed against charitable gaming;
c) Money Laundering; which may be indicated by:
    a) unusual financial transactions;
    b) suspicious LCT &/or PGF account activity;
    c) suspicious electronic funds transfer;
    d) suspicious financial transaction;
    e) unsourced funds including third party bank drafts;
d) Loan sharking; which may be indicated by:
    a) chip exchange;
    b) cash exchange;
    c) unsourced chips;
e) Robbery involving a gaming facility or a patron leaving the gaming facility;
f) Threats or harassment by or against a Registered Gaming Worker;
g) Assault, including sexual assault by or of a Registered Gaming Worker;
h) Conducting unauthorized lottery schemes;
i) Counterfeit gaming chips, currency and lottery tickets;
j) Minors found in or participating in gaming activities in a gaming facility;
k) Minors playing PlayNow.com;
l) Persons legally prohibited from gaming facilities:
m) Unregistered Gaming Service Providers;
n) Fraud involving lottery tickets, casino chips, or lottery schemes;
o) Personation or false identification incidents which include attempts to claim prizes or payouts.
p) Weapons possession, or carrying a concealed weapon;
q) Extortion

Appendix B

File Transfer Protocol Secure Server

The new File Transfer Protocol Secure (FTPS) Server for submitting Section 86(2) Reports to GPEB applies to:

- The BC Lottery Corporation;
- Class A, B, or C, casino service providers;
- Class A and B bingo service providers; and
- Community Gaming Centre service providers

The Gaming Policy and Enforcement Branch (GPEB) has created a new File Transfer Protocol Secure (FTPS) Server to facilitate a secure method of transmitting Section 86(2) Reports to the Branch. The FTPS Server uses the FileZilla Client platform and must be installed on appropriate local computer terminals within gaming facilities.

Completed Section 86(2) Reports following the template found in Appendix "C" will be uploaded and transferred to GPEB through the FileZilla Client. Once the Report is transferred from the local computer to GPEB's FTPS Server, the General Manager will be notified in accordance with Section 86(2) GCA and Section 34(1)(t) of the GCR (as applicable).

If the General Manager determines a Section 86(2) Report requires additional information for the purposes of an investigation or investigative audit, GPEB will issue a Section 86(1) Request for you to provide further information within a specified time period.

As part of the FTPS System implementation, GPEB will be providing further guidance to BCLC and Gaming Service Providers on the new reporting process and associated procedures. If technical difficulties are encountered when reporting through the FTPS server, Reports must still be received by GPEB. The existing regional email addresses which are noted at the bottom of the Section 86(2) Report template for each region, should be used to submit reports. Technical questions regarding connectivity to the FTPS server should be addressed to:
GPEB.LOB@gov.bc.ca

Appendix C

BRITISH COLUMBIA

Gaming Policy and Enforcement Branch
Enforcement Division

Section 86(2) Gaming Control Act &
Section 34(1)(t) Gaming Control Regulation

REPORT TO GPEB – PLEASE SUBMIT WITHOUT DELAY

DATE: Click to enter a date.

ITRAK #: Click here to enter text.

SERVICE PROVIDER: Click here to enter text.

LOCATION: Click here to enter text.

OCCURRENCE: Choose an item.

DATE AND TIME OF OCCURRENCE: Select date and enter time.

DETAILS OF THE OCCURRENCE: Including all subject details, what happened, when it happened, where it happened, how it happened, why it happened, if a gaming worker is involved, who was notified and what actions were taken.

Click here to enter text.

Police Called: **Yes** ☐ **No:** ☐ **Attended:** **Yes** ☐ **No** ☐

Police Force: Click here to enter text. **File Number:** Click here to enter text.

Investigating Officer(s) & Badge # Click here to enter text.

Submitted By: Click here to enter text. **GPEB Registration #:** Click here to enter text.

SUBMIT BY FTP CLIENT

Regional Reporting Office

E-MAIL Regional Reporting Office Email Contact

Appendix B

BRITISH COLUMBIA
The Best Place on Earth

Gaming Policy and Enforcement
Investigations and Regional Operations Division

SECTION 86 G C ACT REPORT

To be submitted without delay.

CONFIDENTIAL

This document is the property of Investigations and Regional Operations Division, Gaming Policy and Enforcement, is confidential and shall not be disclosed or divulged, in whole or in part, without prior consent of the Investigations and Regional Operations Division, Gaming Policy and Enforcement.

Date 02 May, 2013

Service Provider: Great Canadian Casinos

Location: River Rock Casino and Resort

Occurrence: Large buy in with small bills

This is EXHIBIT "B" referred to in the affidavit of KENNETH ACKLES affirmed before me in Kelowna, BC this 28, day of October, 2020.

SG7.48698

A Commissioner for taking Affidavits in British Columbia

Date & Time of Occurrence: 02 May, 2013

Details: SHA, Li Lin [redacted] bought in $200,080 in all $20 bills.

IN 20130021997

Police Called: Yes ☐ No ☒ **Attended:** Yes ☐ No ☐

Police Force: **File Number:**

Investigating Officer(s) & Badge Number(s):

Submitted by: River Rock Surveillance

GPEB Registration #: 23474

E-Mail [redacted]

Appendix B

BRITISH COLUMBIA
The Best Place on Earth

Gaming Policy and Enforcement
Investigations and Regional Operations Division

SECTION 86 G C ACT REPORT

To be submitted without delay.

CONFIDENTIAL

Date: June-9-13

Service Provider: GCC

Location: RRCR

Occurrence: Possible money laundering

Date & Time of Occurrence: Jun.-9-13 – 15:22

Details: An unknown Asian female appears to be laundering bills on multiple slot machines.

RRCR-INC-13-28497

Police Called: Yes ☐ No ☒ **Attended:** Yes ☐ No ☒

Police Force: **File Number:**

Investigating Officer(s) & Badge Number(s):

Submitted by: River Rock Surveillance

GPEB Registration #: 22846

E-Mail [redacted]

Appendix B

BRITISH COLUMBIA
The Best Place on Earth

Gaming Policy and Enforcement
Investigations and Regional Operations Division

SECTION 86 G C ACT REPORT

To be submitted without delay.

CONFIDENTIAL

Date: 2013-OCT-04

Service Provider: GCC

Location: RRCR

Occurrence: Large buy in

Date & Time of Occurrence: 2013-OCT-04 @ 0003 hrs

Details: SHA Li Lin bought in for 300K in all $20's. RRCR 13-48148

Police Called: Yes ☐ No ☒ **Attended:** Yes ☐ No ☒

Police Force: **File Number:**

Investigating Officer(s) & Badge Number(s):

Submitted by: River Rock Surveillance

GPEB Registration #: 25549

E-Mail [redacted]

Appendix B

BRITISH COLUMBIA
The Best Place on Earth

Gaming Policy and Enforcement
Investigations and Regional Operations Division

SECTION 86 G C ACT REPORT

To be submitted without delay.

Date 10-OCT-2013

Service Provider: GCC

Location: RRCR

Occurrence: Large buy in with small bills

Date & Time of Occurrence: 10-OCT-2013 at 20:22

Details: SHA, Li did large buy in for $200,020 (all in $20 bills)

IN 20130049323

Police Called: Yes ☐ No X **Attended:** Yes ☐ No X

Police Force: **File Number:**

Investigating Officer(s) & Badge Number(s):

Submitted by: River Rock Surveillance

GPEB Registration #: 23474

E-Mail [redacted]

British Columbia Lottery Corporation

Supplemental Report

Printed: 06/01/2015 2:46:58PM **Printed By:** sgillespie

Supplemental Numbe	Incident File Number	Date Attached	Attached By
SP20140182570	IN20140065846	30/12/2014 9:18:46PM	malianza

Description Surveillance was advised of a large buy-in for [redacted] (sid#59288) for MDB20. Following was reviewed:

At 17:52 [redacted] arrives on site South parkade (l/p 186PNL). [redacted] appears carrying a large black/white bag, which appears weighted with its' contents. [redacted] enters Salon and continues to Phoenix Cage, where he empties the bag, revealing numerous bundles of $20CDN, held together with elastic bands.
At 18:19 Cage completes its' count for a total of $98,000CDN (4900x$20CDN).
At 18:23 [redacted] receives 18x$5000 and 8x$1000 in chips and proceeds to place ONE wager at 18:26 for $16k (3x$5000 and 1x$1000). It is a winning wager.
At 18:32 [redacted] cashes out 6x$1000 and 2x$100 in chips, receiving 62x$100CDN. After [redacted] completes cashout, leaves Casino and enters Sea Harbour Restaurant at 18:34.

At 20:41 [redacted] arrives on site with an unknown male and female in a Van which parks at Casino-Valet. LNU-male is carrying a large red bag. All three patrons enter Salon and continue to Phoenix room, where LNU-male passes [redacted] the red bag at 20:44. [redacted] empties the contents of the bag, revealing numerous bundles of $20CDN, which are held together with elastic bands.
At 20:54 Cage completes its' count for a total of $50,000CDN (2500x$20CDN).
At 20:56 [redacted] receives 8x$5000 and 10x$1000 in chips at MDB20. [redacted] places a wager with pre-existing chips (approx. $1200). This is a losing wager.
[redacted] places a $2000 wager (2x$1000) and it is a winning wager.
At 20:58 [redacted] colours up 10x$1000 and receives 2x$5000 in chips.
[redacted] places a $2700 approximate wager (2x$000, 1x$500, 2x$100).
[redacted] places a $6000 approximate wager (1x$5000 and 1x$1000) losing wager.
[redacted] places a $21k approximate wager (4x$5000 and 1x$1000) winning wager.
[redacted] colours up 5x$1000 for 1x$5000 chip.
[redacted] places a $6950 approximate (1x$5000, 1x$500, 4x$100 and 2x$25) winning wager.
[redacted] colours up 1x$500 and 5x$100 and receives 1x$1000 chip.
At 21:05 [redacted] places 18x$5000, 1x$1000, 1x$500 and 4x$100 ($91,900CDN) for cashout at CD13.
At 21:17 [redacted] appears to wrap $100k in chips in elastic bands and place into his left jacket pocket.

During his time, [redacted] makes a minimum amount of wagers (approx. six) which range from $1200 to $21k.

FM CHAI and Cage were advised of play. CHAI advised Surveillance [redacted] would receive $100CDN denomination bills for his cashout.

After the cashout, [redacted] provided the currency to both LNU patrons which arrived with him. All three patrons left Salon and continued out of Casino, with [redacted] on the phone and LNU-male and female enter a taxi and leave site.

Review of LNU-male and female shows the following:

This is EXHIBIT "C" referred to in the affidavit of KENNETH ACKLES affirmed before me in Kelowna, BC this 28, day of October, 2020.

Sgt. 48698

A Commissioner for taking Affidavits in British Columbia

British Columbia Lottery Corporation

Supplemental Report

Printed: 06/01/2015 2:46:58PM **Printed By:** sgillespie

Supplemental Numbe	Incident File Number	Date Attached	Attached By
SP20150002481	IN20140065846	05/01/2015 3:36:28PM	sbeeksma

After passing the bag to [redacted], LNU-male and LNU-female stand near the Phoenix-VIP, and at one point the female sits in the VIP-Cage area on the chair. Both LNU patrons stand in Phoenix hallway for duration of time, whilst frequently accessing his phone (LNU-female does the same) in Casino until [redacted] returns.

FM CHAI and SE/S EARNEY were advised the pass.

Further review determined that LNU-male arrived on site shortly after [redacted] in a van (I/p 9832TTH) on South Parkade 3/F. Several occupants leave the van and enter a Porsche Cayenne (I/p AB868M). It is unknown the relationship between occupants of van and Porsche Cayenne, nor LNU-male & Female with [redacted] as all had left site prior to any opportunity to approach.

Footage M & Y-DRIVE\DEC14-WK4\SFT\14-65846

M LIANZA
30068

British Columbia Lottery Corporation

Supplemental Report

Printed: 06/01/2015 2:46:58PM **Printed By:** sgillespie

Supplemental Numbe	Incident File Number	Date Attached	Attached By

Description

On the afternoon/evening of 2014-DEC-30 a male casino patron identified as [redacted] conducted 2 cash buy ins that totalled $148K (all $20 bills). [redacted] gambled minimally then redeemed a total of $98,600 in chips over 2 disbursements (shortly after each buy in) receiving $100 bills.
During the circumstances of [redacted] second buy in ($50K) and disbursement ($92,400) an unidentified male and female accompanied him. The unknown male carried the bag that contained the buy in money into the casino and the female ended up with the cash from the disbursement.

On 2015-JAN-05 incident footage was reviewed. The footage supports what has been documented in this report.

Incident details:

1st buy in:

Footage begins on 2014-DEC-30 at approx 1751hrs with [redacted] arriving alone operating a vehicle described as a Hyundai Entourage (van) with BCLP 186PNL. As per casino records, [redacted] has previously been confirmed as the RO of this vehicle.
After parking in the South parkade near the Sky Bridge that connects the parkade to the hotel lobby/reception level [redacted] emerges carrying a black and white patterned reusable type shopping bag weighted from its contents.
He crosses the Sky Bridge and enters the casinos VIP Salon.
-At approx 1754hrs [redacted] entered the casinos VIP Salon and is escorted by a guest services employee to the private cashier room near the Phoenix high limit room (same floor).
[redacted] sets the bag on a table near the window and from it removes approx 10 bricks of CDN $20 bills (est. $10K per brick, all bound by elastics). There appeared to be a second, purple plastic bag inside the black and white one that housed the money.
Cashiers begin to count the money and [redacted] exits to the gaming floor to await the chips.
[redacted] bought in for $2K at the gaming table to gamble with while the cash was being counted.
-By approx 1819hrs cashiers have completed counting the money which totalled $98K (4900X$20 bills).
-At approx 1824hrs he received the casino chips on Midi-Baccarat table 20 in the VIP Salon completing the buy in transaction.

[redacted] bet on a total of 3 hands before leaving the table/casino. His first wager was approx $6K which was lost. The next bet was $1K which he won then the final bet was $16K which was also won.

-At approx 1828hrs (after winning the $16K hand which was paid $15,200 after commission was taken) [redacted] collected his chips and left the table.
-At approx 1830hrs [redacted] attended the cashier near the Phoenix room where

British Columbia Lottery Corporation

Supplemental Report

Printed: 06/01/2015 2:46:58PM **Printed By:** sgillespie

Supplemental Numbe	Incident File Number	Date Attached	Attached By

he redeemed $6,200 in chips receiving cash to complete the disbursement.

Taking into account [redacted] total buy in at this point ($100K) and plus/minus his win/losses, following the $6,200 disbursement he should still have in his possession $104K in casino chips.

-At approx 1833hrs [redacted] exited the VIP Salon into the hotel lobby. He is seen jogging as if he's in a hurry as he crossed the Sky Bridge back over to the South parkade/Hotel side.
-At approx 1834hrs [redacted] is seen exiting "The Hotel" lobby and walking towards the nearby Sea Harbour restaurant. He reportedly entered the restaurant however the footage was cut short as he approached the door so this cannot be confirmed with certainty.

2nd buy in:

Footage continues at approx 2041hrs with [redacted] returning to the casino in the company of an Asian male and female, neither of which were identified this date. They arrived on site in a vehicle described as a van (possibly [redacted]) which was parked near the resort valet.
The unknown male that accompanied [redacted] was seen carrying a large red gift or shopping bag clearly weighted from its contents as all 3 make their way up to the casinos VIP Salon.
-At approx 2044hrs the group arrived at the private cashier near the Phoenix high limit room. The unknown male holds the bag open and [redacted] removes from it a second blue plastic shopping bag. From the second blue bag [redacted] empties 5 bricks of CDN $20 bills (est. $10K per bricks all bound by elastics) onto the transaction counter for verification.

[redacted] exited to the VIP gaming area while cashiers began to verify the cash. The unknown male and female remained in the vicinity of the cashier from the time the money was dropped off to the point that [redacted] redeemed chips soon after receiving the buy in chips. Both were seen using their cell phones multiple times during this time.

-By approx 2053hrs cashiers have completed counting the money which totalled $50K (2500X$20 bills). The buy in slip is prepared by site staff and taken to table 20 where [redacted] would receive the chips. The unknown male and female remained in the hallway near the cashier.
-At approx 2057hrs [redacted] received the chips on table 20 completing the buy in transaction (8X$5K and 10X$1K denominations). It was noted that he was in possession of a relatively small amount of chips ($1K and smaller denominations) at the time he received the $50K.
[redacted] bet on 2 hands after receiving the chips for the $50K buy in ($6K and $21K wagers).
-At approx 2059hrs [redacted] changed 10X$1K chips with the dealer for 2X$5K chips (these appear to have been the 10 he received for the $50K buy in).

British Columbia Lottery Corporation

Supplemental Report

Printed: 06/01/2015 2:46:58PM **Printed By:** sgillespie

Supplemental Numbe	Incident File Number	Date Attached	Attached By

-At approx 2103hrs [redacted] collected his chips and left the table.
-At approx 2105hrs he approached the cashier near the Phoenix high limit room (the male and female were still waiting here) and presented $91,900 in chips for redemption.

There was a delay in processing the disbursement as surveillance had reportedly updated casino management of the buy in and minimal play which would typically result in [redacted] being paid back in his $20 bills. The table game floor manager reportedly told surveillance that [redacted] would be paid using $100 bills.

-At approx 2117hrs [redacted] returned to the cashier (likely enquiring why it's taking so long to complete the disbursement) at which time he could be seen holding an additional approx $100K in casino $5K chips (these may be the chips from the 1st buy in). [redacted] wraps these chips with elastic bands and puts them into his pocket. He adds another $500 chip to the chips in the cage for redemption bringing his total cash out to $92,400. Shortly thereafter cashiers begin to count out the money for the disbursement.
-At approx 2120hrs [redacted] received the cash ($100 bills) completing the disbursement. He walks away from the cashier meeting with the unknown male and female who were still waiting in the hallway. As they walked toward the VIP Salon [redacted] was seen dropping the majority, if not all of the $92K into the females hand bag. All three crossed through the VIP Salon and entered the hotel lobby.
The male and female (followed by [redacted]) proceeded downstairs and exited the hotel meeting with another couple (male and female who arrived in a van that was stopped near the entrance similar in appearance to [redacted]). [redacted] followed behind shortly after and walked in the direction of a van matching his Hyundai Entourage that was pulled over along the side of the driveway (appeared to be driven by a female).

Review of [redacted] LCT records and supporting tracking documents confirms there is no record of [redacted] returning to gamble this date.
On 2015-JAN-03 [redacted] was subject of another unusual transaction incident Redacted – FINTRAC in which he produced $90K in cash for buying in ($70K in $20 bills). The whereabouts of the $100's or the chips he left with on this incident date is not known. On the JAN-03rd incident it appears he gambled for hours after receiving the chips and may have lost it all.

Conclusion:

[redacted] has a long standing business relationship with BC Casinos and review of past transactions confirm that cash buy ins of this amount are not out of the ordinary for him.
He has been Redacted – FINTRAC for large cash buy ins with un-sourced cash but there is an added indicator of suspiciousness to this incident in relation to [redacted] minimal play and subsequent cash out (receiving $100 bills).

British Columbia Lottery Corporation

Supplemental Report

Printed: 06/01/2015 2:46:58PM **Printed By:** sgillespie

Supplemental Numbe	Incident File Number	Date Attached	Attached By
SP20150002493	IN20140065846	05/01/2015 3:46:51PM	sbeeksma

According to casino records [redacted] has provided his occupation as a "Real Estate Developer". Although he may be wealthy this does not offer a reasonable explanation as to where he may have acquired the cash used for buying in this date.

The relationship between [redacted] and the Asian male and female that accompanied him for the second cash buy in is not known. Attempts will be made to identify them should they return. The unknown male (and the female to a degree) was closely monitoring both the buy in and [redacted] disbursement. [redacted] may have been conducting these transactions on behalf of an unknown 3rd party.

Redacted – FINTRAC [redacted]

[redacted] is on BCLC's list of High Risk Patron Profiles and will continue to be monitored when attending BC Casinos with reports generated and escalated as required.

S.BEEKSMA
BCLC
Casino Investigations

Description Redacted – FINTRAC [redacted]

GPEBS BARBER and ACKLES cc'd on email to IPOC.

S.BEEKSMA
BCLC
Casino Investigations

From: Shauna Gillespie [redacted]
Sent: Thursday, April 17, 2014 8:17 AM
To: Robert G. Kroeker
Subject: FW: RRCR attempted money laundering incident (correction)
Attachments: Supplemental Report 17903b.pdf; Supplemental Report18228b.pdf

Hi Rob,
I sincerely apologize, however I listed the incorrect suspect in my original email to you.

The suspect is:

[redacted]

We've had a total of 6 incidents with this individual (2 listed within the original email) and the below:

Chip passing incidents:
IN20140002066
January 13

IN20140002517
January 15

IN20140004459
January 26

LCT incidents:
IN20140003748
January 22

I hope that is error hasn't caused you too much of an issue!

From: Shauna Gillespie
Sent: Wednesday, April 16, 2014 9:34 AM
To: Robert G. Kroeker
Subject: RRCR attempted money laundering incident

Hi Rob,
As promised attached / below is a summary of the recent attempted money laundering incident at RRCR.
I apologize for the delay in sending this (our iTrac server was down yesterday)

IN20140017903
Date of incident: 08/04/2014
Accused: [redacted]
DOB: [redacted]
Attached: Supplemental Report 17903b

BCLC summary:
15:36 At the Salon Prive Cash Cage, [redacted] presented $250k (12,500 x $20.00) for his buy-in.

16:15 At MDB27, [redacted] received his chips and placed them in a small black nylon bag that had a draw string on it. Following this, [redacted] and the unknown Asian female exited the casino. There was no play.

IN20140018228
Date of incident: 10/04/2014
Accused: [redacted]
DOB: [redacted]
Attached: Supplemental Report18228b

BCLC summary:
13:17 At MDB28, [redacted] coloured down $100k in $5k chips to $1k chips. No play.
13:21 At CD19, [redacted] attempted to cash in $65k in $1k chips requesting $100.00 denomination bills. This request was denied by cage staff who advised that [redacted] would have to take $20.00 bills because of his previous buy in with no play on 2014-04-08 which was comprised entirely $20.00 bills. [redacted] protested this decision, took back the chips and departed the casino. He was picked up in the front entrance area of the casino by 688RPW.
This incident is directly related to the large cash buy-in of $250k (2,500 x $20.00) on 2014-04-08 by [redacted], followed by no play.

Shauna Gillespie, CFI | Manager, Compliance | Great Canadian Gaming Corporation
#350, 13775 Commerce Parkway, Richmond BC V6V 2V4 | [redacted]

British Columbia Lottery Corporation

Supplemental Report

Printed: 16/04/2014 9:19:05AM **Printed By:** sgilles

Supplemental Numbe	Incident File Number	Date Attached	Attached By
SP20140049365	IN20140017903	08/04/2014 4:55:43PM	mhwiebe

Description

At approximately 1537 Surveillance was made aware of a large buy-in small bills at CD19. SID 126377 [redacted] was buying in for $250,000.00 all in twenty dollar bills and it was for play on MDB 27.
A review was done and the following determined;
At 1533 [redacted] arrives at the valet as a passenger.
[redacted] and his female associate proceed directly to the Salon private cage and [redacted] places all the money from a brown cardboard box onto the counter.
[redacted] count was complete at 1606 and the chips delivered to MDB 27 at 1614.
[redacted] did not play but left site with the chips.

Footage Y:\SDC\April2014\Week 2\Other\14-17903

WIEBE
24824

SP20140049645	IN20140017903	09/04/2014	7:19:21AM	dgray

British Columbia Lottery Corporation

Supplemental Report

Printed: 16/04/2014 9:19:05AM **Printed By:** sgilles

Supplemental Numbe	Incident File Number	Date Attached	Attached By

Description 2014-04-09 07:19

BCLC - Incident reviewed and footage viewed.

[redacted]

15:33 [redacted], as the passenger, and an unknown Asian female arrived in a grey BMW and parked in the valet area in front of the hotel/casino [redacted] went into the rear passenger seat and removed a cardboard box. Both entered the casino via the main front doors and proceeded to the Salon Prive.

15:36 At the Salon Prive Cash Cage, [redacted] presented $250k (12,500 x $20.00) for his buy-in.

16:15 At MDB27, [redacted] received his chips and placed them in a small black nylon bag that had a draw string on it. Following this, [redacted] and the unknown Asian female exited the casino. There was no play.

[redacted] is a well known gambler at the VIP level who primarily frequents River Rock. He has been the subject of numerous suspicious transaction reports resulting from large cash buy-ins of small denomination bills.

[redacted] occupation as an "Engineering Student - UBC" cannot reasonably account for the large quantity of $20.00 bills he consistently presents for his buy-ins and causes me to believe that the origin of his buy-in funds may be criminal in nature.

A number of [redacted] associates are [redacted]

We are seeing an increasing number of patrons purchasing gaming chips with no play. We are also noting that an increasing number of patrons are gambling using chips for their initial buy-in. [redacted] contain details of chip deliveries to the casino from known loan sharks.

It's very likely that today's purchase of chips is by [redacted] is to facilitate loan sharking activities. He has been placed in the "Watched" category. This will be reviewed in 3 months.

[redacted]

D.GRAY,
BCLC Casino Investigations

SP20140049720 IN20140017903 09/04/2014 10:58:55AM dgray

Description [redacted] Copies to IPOC, GPEB Investigators ACKLES and BARBER.

D.GRAY,
BCLC Casino Investigations

British Columbia Lottery Corporation

Supplemental Report

Printed: 16/04/2014 9:20:44AM **Printed By:** sgilles

Supplemental Numbe	Incident File Number	Date Attached		Attached By
SP20140050231	IN20140018228	10/04/2014	1:35:25PM	dtrajkovic

Description

On 10-APR-2014 at approx. 13:25, SID # 126377 [redacted] attempted to cash out $65,000 in $5K chips. [redacted] entered at 13:15 and color down $100,000 of $5K chips to $1K chips before attempting to cash out $65,000. C/M TRUONG was contacted and advised that subject bought in for $250,000 in $20 bills on 08-APR-2014 and left casino without play. [redacted] was informed that he will get all $20 bills for $65,000. [redacted] protested and took back his chips and left Salon. Further review showed [redacted] being dropped off by silver BMW X6, BC plates: 688 RPW. Once he left the Salon, he was also picked up by the same vehicle. Video saved as 14-18228 in UFT folder. Form 86 sent.

Djordje TRAJKOVIC
23474

SP20140050244	IN20140018228	10/04/2014	2:10:06PM	dgray

British Columbia Lottery Corporation

Supplemental Report

Printed: 16/04/2014 9:20:44AM **Printed By:** sgilles

Supplemental Numbe	Incident File Number	Date Attached	Attached By

Description 2014-04-10 14:10

BCLC - Incident reviewed.

[redacted]

13:13 [redacted] was dropped off in front of the casino by 688RPW, a silver BWM X6.

13:15 [redacted] arrived at the Salon Prive.

13:17 At MDB28, [redacted] coloured down $100k in $5k chips to $1k chips. No play.

13:21 At CD19, [redacted] attempted to cash in $65k in $1k chips requesting $100.00 denomination bills. This request was denied by cage staff who advised that [redacted] would have to take $20.00 bills because of his previous buy in with no play on 2014-04-08 which was comprised entirely $20.00 bills. [redacted] protested this decision, took back the chips and departed the casino. He was picked up in the front entrance area of the casino by 688RPW.

This incident is directly related to the large cash buy-in of $250k (2,500 x $20.00) on 2014-04-08 by [redacted], followed by no play. Upon receipt of the chips, [redacted] placed them in a small nylon bag and immediately departed the casino. IN 17903 refers.

The attempted redemption of these chips today for $100.00 denomination bills is clearly suspicious and contains an element of money laundering.

[redacted] is a well known gambler at the VIP level who primarily frequents River Rock. He has been the subject of numerous suspicious transaction reports resulting from large cash buy-ins of small denomination bills.

[redacted] occupation as an "Engineering Student - UBC" cannot reasonably account for the large quantity of $20.00 bills he consistently presents for his buy-ins and causes me to believe that the origin of his buy-in funds may be criminal in nature.

A number of [redacted] associates are also the [redacted]

[redacted] remains in the "Watched" category.

[redacted]

D.GRAY,
BCLC Casino Investigations

SP20140050306 IN20140018228 10/04/2014 4:05:21PM dgray

British Columbia Lottery Corporation

Supplemental Report

Printed: 16/04/2014 9:20:44AM **Printed By:** sgillespie

Supplemental Numbe	Incident File Number	Date Attached	Attached By

Description [redacted] Copies to IPOC, GPEB

Investigators ACKLES and BARBER.

D.GRAY,
BCLC Casino Investigations

British Columbia Lottery Corporation

Supplemental Report

Printed: 16/04/2014 9:19:05AM **Printed By:** sgillespie

Supplemental Numbe	Incident File Number	Date Attached	Attached By
SP20140049365	IN20140017903	08/04/2014 4:55:43PM	mhwiebe

Description

At approximately 1537 Surveillance was made aware of a large buy-in small bills at CD19. SID 126377 [redacted], Can was buying in for $250,000.00 all in twenty dollar bills and it was for play on MDB 27.
A review was done and the following determined;
At 1533 [redacted] arrives at the valet as a passenger.
[redacted] and his female associate proceed directly to the Salon private cage and [redacted] places all the money from a brown cardboard box onto the counter.
[redacted] count was complete at 1606 and the chips delivered to MDB 27 at 1614.
[redacted] did not play but left site with the chips.

Footage Y:\SDC\April2014\Week 2\Other\14-17903

WIEBE
24824

SP20140049645	IN20140017903	09/04/2014 7:19:21AM	dgray

British Columbia Lottery Corporation

Supplemental Report

Printed: 16/04/2014 9:19:05AM **Printed By:** sgillespie

Supplemental Numbe	Incident File Number	Date Attached	Attached By

Description 2014-04-09 07:19

BCLC - Incident reviewed and footage viewed.

[redacted]

15:33 [redacted] as the passenger, and an unknown Asian female arrived in a grey BMW and parked in the valet area in front of the hotel/casino. [redacted] went into the rear passenger seat and removed a cardboard box. Both entered the casino via the main front doors and proceeded to the Salon Prive.

15:36 At the Salon Prive Cash Cage, [redacted] presented $250k (12,500 x $20.00) for his buy-in.

16:15 At MDB27, [redacted] received his chips and placed them in a small black nylon bag that had a draw string on it. Following this, [redacted] and the unknown Asian female exited the casino. There was no play.

[redacted] is a well known gambler at the VIP level who primarily frequents River Rock. He has been the subject of numerous suspicious transaction reports resulting from large cash buy-ins of small denomination bills.

[redacted] occupation as an "Engineering Student - UBC" cannot reasonably account for the large quantity of $20.00 bills he consistently presents for his buy-ins and causes me to believe that the origin of his buy-in funds may be criminal in nature.

A number of [redacted] associates are Redacted – FINTRAC .

We are seeing an increasing number of patrons purchasing gaming chips with no play. We are also noting that an increasing number of patrons are gambling using chips for their initial buy-in. Several recent Redacted – FINTRAC Redacted – FINTRAC .

It's very likely that today's purchase of chips is by [redacted] is to facilitate loan sharking activities. He has been placed in the "Watched" category. This will be reviewed in 3 months.

This incident is considered suspicious and Redacted – FINTRAC .

D.GRAY,
BCLC Casino Investigations

SP20140049720 IN20140017903 09/04/2014 10:58:55AM dgray

Description Redacted – FINTRAC Copies to IPOC, GPEB Investigators ACKLES and BARBER.

D.GRAY,
BCLC Casino Investigations

This is EXHIBIT "D" referred to in the affidavit of KENNETH ACKLES affirmed before me in Kelowna, BC this 28, day of October, 2020.

SG7.48698

A Commissioner for taking Affidavits in British Columbia

Suspicious Cash Transactions (>50K only)

TOTAL $20	$14,856,340
TOTAL $	$20,729,130
TOTAL COUNT	0
Chip Count	250000

Casino	Total $20 Amount	Total $ Amount
Boulevard	-	-
Cascades	-	-
Edgewater	1,039,100.00	2,337,440.00
Grand Villa	100,000.00	100,000.00
River Rock	13,468,160.00	17,171,610.00
Starlight	249,080.00	1,120,080.00
Total	14,856,340.00	20,729,130.00

Date YYYYMMMDD	Bulk File #	Itrak #	Venue	Last Name	First/second Name	DOB: YYYYMMMDD	$20 Bills	Total $	Synopsis	Loan Shark	Remarks	Chips	Total Chips	Associates	Vehicle
2015JUL01	92053	34058	River Rock	[redacted]	[redacted]	[redacted]	$ 99,660	$ 100,020	[redacted] atended the casino on two separate occasions each time dropped off by a vehicle. Each time he carried a paper bag containing the suspicious cash.		dropped off by Vehicles described as Black Porsche and white Acura				
2015JUL02	92053	34179	River Rock	SHI	Guo Tai	[redacted]			SHI met a vehilce in the driveway and gives the driver something. Vehicle departs returning shortly afterwards and gives SHI something that he puts in his pocket. SHI returns to the table and removes a wrapped stach of 20 5K chips			20 X $5,000	100,000.00	[redacted]	BMW BC Lic: 850JSX
2015JUL03	92053	34358	River Rock	[redacted]	[redacted]	[redacted]	$ 90,000	$ 90,000	At approx. 18:36, white Cadillac Escalade resembling the one associated with JIN Paul pulled before valet podium by hotel lobby. [redacted] exited the vehicle. [redacted] carried a large bag and presented 4500 X$20 bills for a total of $90,000.00.		dropped off by White Cadillac Escolade				
2015JUL03	92053	34262	River Rock	[redacted]	[redacted]	[redacted]	$ 58,000	$ 58,000	[redacted] arrived alone and presented cash consiting of two seperate buy ins 1000 x $ 20s and 1900 x $ 20s						**Owner of black & silver Rolls Royce bearing BC Lic: 754 WHW**
2015JUL03	92053	34418	River Rock	[redacted]	[redacted]	[redacted]	$ 77,000	$ 90,000	[redacted] carried a red & white shopping bag presenting 10X$10,3850X$20,16X$50,112X$100 for a total of $90,000.00.		dropped of by black BMW				
2015JUL04	92053	34580	River Rock	[redacted]	[redacted]	[redacted]	$ 99,980	$ 99,980	[redacted] arrived earlier in the day with [redacted] his associate and bought in for $100,000.00 using $50 & $100 bills. At 2248 hr [redacted] meets [redacted] again who delivers to him a bag containing 4999 X $20 bills.		[redacted] is a known associate of [redacted] and often is seen with him or delivering cash to [redacted]			[redacted]	
2015JUL05	92053	34714	River Rock	[redacted]	[redacted]	[redacted]	$ 150,040	$ 150,050	At 1658hrs [redacted] runs out of the chips. [redacted] talks to [redacted]. [redacted] uses his phone. At 1704hrs a white Audi Q5 pulls up. [redacted] is seen talking to driver while [redacted] obtains a dark bag from the back seat. [redacted] presented cash that consisted of 1x$10 and 7502x$20 for a total of $150,050.00.		[redacted] is a know arranger for cash at the casinos			[redacted]	
2015JUL05	92053	34728	River Rock	[redacted]	[redacted]	[redacted]	$ 78,500	$ 78,500	[redacted] arrived on site and presented cash consisting of 3925 x $20.00 for a total of $78,500.00.		[redacted] arrived on site in a Richmond Taxi				
2015JUL05	92053	34744	River Rock	[redacted]	[redacted]	[redacted]	$ 60,000	$ 60,000	[redacted] presented cash from a shopping bag consisting of 3000 X $20 bills for a total of $60,000.00 one of the bills is considered counterfeit.		[redacted] is staying in Hotel				
2015JUL05	92053	34709	Edgewater	SHI	Guo Tai	[redacted]	$ 39,960	$ 300,000	SHI Guo Tai bought in for $300,000 delivered to him by another patron, including $258,900 in 100 s, $1,100 in 50 s, and $39,960 in 20 s.					[redacted]	
2015JUL06	92053	34910	River Rock	SHI	Guo Tai	[redacted]	$ 33,300	$ 123,350	SHI Guo Tai bought-in for $123,350.00 delivered to him by [redacted]. With the cash, was delivered $150 000.00 in unsourced chips.		SHI shared chips with [redacted]		$150,000.00	[redacted]	Lexus SUV {997 TLC}
2015JUL06	92053	34991	River Rock	[redacted]	[redacted]	[redacted]	$ 60,020	$ 100,020	[redacted] arrived on site and presented a bag of cash including 3,001 x $20.00 bills.		[redacted] arrived in a black Range Rover {718 MVJ}				Range Rover, black in colour {718 MVJ}
2015JUL07	92053	35002	River Rock	[redacted]	[redacted]	[redacted]	$ 149,020	$ 150,020	[redacted] bought-in with cash brought to the casino by his [redacted].		[redacted] dropped off at the casino from a white Bentley with undetermined license plates.			[redacted]	Bentley, white in colour with undetermined license plates.
2015JUL06	92053	34999	River Rock	[redacted]	[redacted]	[redacted]	$ 200,000	$ 200,000	[redacted] left his vehicle with the valet and presented cash consisting of all $20 bills, [redacted] had bought in earlier in the day for 35K using all $100 bills.						
2015JUL07	92053	35082	River Rock	[redacted]	[redacted]	[redacted]	$ 96,000	$ 100,000	The bag of cash was delivered to [redacted] at the casino by the unidentified driver of a Mercedes G-wagon with undetermined license plates.						**Mercedes G-wagon with undetermined license plates.**
2015JUL07	92053	35123	River Rock	[redacted]	[redacted]	[redacted]	$ 50,000	$ 62,000	[redacted] arrived at the casino with a bag of cash that consisted of $20.00, $50.00, and $100.00 bills.						
2015JUL07	92053	35143	River Rock	[redacted]	[redacted]	[redacted]	$ 87,860	$ 87,860	An unidentified Asian male parked on River Road at a distance from the casino so that the vehicle could not be determined. He brought a bag of cash into the casino and accompanied [redacted] into the cash cage with the bag.		[redacted] pocketed the 14 x $5,000.00 chips from the buy-in and only played with the remaining chips. He left the casino with the $5 000.00 chips.				2

2015JUL08	92053	35266	River Rock	[redacted]	[redacted]	[redacted]	$ 100,000	$ 100,000	[redacted] arrived as a passenger in a Bentley similar to that owned by JIN, Paul King a known loan								
2015JUL08	92053	35267	River Rock	[redacted]	[redacted]	[redacted]	$ 89,980	$ 90,000	[redacted] arrived driving a black Mercedes Benz sedan at 1549 hrs. He emerged from the vehicle carrying a green bag. [redacted] removed a gray colored plastic bag from the green bag; emptying the plastic bag and revealing nine bricks of $20's. The breakdown was 4499 x $20's & 2 x $10's totaling 90K.								
2015JUL08	92053	35327	River Rock	[redacted]	[redacted]	[redacted]	$ 60,020	$ 60,020	[redacted] was observed arriving in the casino from the Hotel. He was in the company of [redacted] presented 3001 X $20 bills for a total of $60,020.		New Player			[redacted]			
2015JUL08	92053	35331	River Rock	[redacted]	[redacted]	[redacted]	$ 50,000	$ 50,000	[redacted] arrived in a black Mercedes SUV. [redacted] presented Cash on CD19 consisting of 2,500 x $20 for a total of $50,000.00.		New Player address: [redacted]						
2015JUL08	92053	35343	River Rock	[redacted]	[redacted]	[redacted]	$ 94,640	$ 99,870	At 2240 hrs [redacted] arrived on site alone and presented 2501 x $20.00 for a total of $50,020.00 At 2341hrs [redacted] returned to his vehicle in the South Parkade and retrieved a reusable shopping bag from the trunk. He returned to Salon Prive and presented cash consisting of 62 x $5, 212 x $10, 2,231 x $20, 36 x $50 and 10 x $100bills for a total of $49,850.00.								
2015JUL09	92053	35446	River Rock	[redacted]	[redacted]	[redacted]	$ 99,940	$ 149,940	[redacted] was dropped off by Taxi at the Valley entrance, East Lobby. He carrieda Red shopping bag that contained 11 bricks of $20 bills and multiple $100 bills all wrapped in elastic bands. [redacted] bought in $149,940 using 500X$100 4997X$20. He received 19x5k 1x$500 4x$100 1x$25 3x$5 chips on MDB 52 then played.								
2015JUL09	92053	35472	River Rock	[redacted]	[redacted]	[redacted]	$ 50,000	$ 50,000	CHEN, [redacted] arrived in a white SUV and enters the high limit room where he met [redacted]. Both enter the cage and CHEN removes bundles of $20 bills from his jacket onto the counter. [redacted] takes possessionof the chips and plays.		**CHEN delivered monies to** [redacted]			CHEN [redacted]			
2015JUL09	92053	35503	River Rock	[redacted]	[redacted]	[redacted]	$ 3,000	$ 599,000	At 2038 hrs [redacted] was dropped off by a black Toyota Tundra BC Lic: HD 5693. A white Toyota Sienna with BC Lic: 603 MMK arrived from which the occupants retrieved a red bag from the back to the Toyota Sienna and handed it to [redacted]. [redacted] headed up to Salon Prive and presented Cash - mostly in $100's, bundled by rubber bands. Cash consisted of 150 x $20 and 5,960 x $100 bills for a total of $599,000.00.		The vehicle delivering the cash frequents the River Rock with a variety of drivers and is known to be that of JIN, Paul King.				Toyota Sienna BC Lic:603MMK RO:JIN, Paul King	
2015JUL09	92053	35505	River Rock	[redacted]	[redacted]	[redacted]	$ 196,020	$ 196,020	At 2143 hrs [redacted] arrived by taxi. He was carrying a large green bag to Salon cage where he presented 9801x$20 bills for $196,020.00.								
2015JUL09	92053	35523	River Rock	[redacted]	[redacted]	[redacted]	$ 400,000	$ 400,000	At 2219 hrs [redacted] was observed entering the casino from the Hotel with two other patrons, [redacted] and [redacted] carried a large black/white bag. He presented 10,000x$20 bills for a total of $200,000.00. At 2325 hrs [redacted] and [redacted] returned to west tower, 7th floor room, and returned with another two bags that [redacted] took to Salon cage and presented 10,000x$20 bills for another total of $200,000.00					[redacted]			
2015JUL09	92053	35528	River Rock	[redacted]	[redacted]	[redacted]	$ 120,000	$ 120,000	[redacted] presented 6,000 X $20 bills for a total of $120,000.00.								
2015JUL09	92053	35530	River Rock	[redacted]	[redacted]	[redacted]	$ 70,000	$ 300,000	At 2216 hrs [redacted] arrived in a white Lexus LX570 with BC Lic: AS8 39L with [redacted] and [redacted] carried a pink shopping bag from which he presented 3,500 x $20 and 2,300 x $100 bills for a total of $300,000.00. In addition to his buy in chips he withdrew another $100,000.00 from his								
2015JUL10	92053	35607	River Rock	[redacted]	[redacted]	[redacted]	$ 100,020	$ 100,020	[redacted] was dropped off at the casino from a white Chev PU. He presented cash from a backpack consisting of 5001 X $20 bills for the total of $100,020.00.								
2015JUL10	92053	35620	River Rock	[redacted]	[redacted]	[redacted]	$ 320,020	$ 450,020	[redacted] arrived by taxi at 1400 hrs and presented cash split into two separate amounts. $130,000.00 in $100 bills and 3501 X $20 bills. [redacted] returned to the casino by taxi several hours later with another 12,500 X $20 bills for another $250,000.00								
2015JUL09	92053	35663	River Rock	[redacted]	[redacted]	[redacted]	$ 40,060	$ 55,060	[redacted] were dropped off by a dark colored vehicle. [redacted] was with another female (identity unconfirmed). She presented cash consisting of 2,003 x $20, 120 x $50, 90 x $100 bills for a total of								

2015JUL10	92053	35687	River Rock	[redacted]	[redacted]	[redacted]	$ 60,020	$ 60,020	At 1840 hrs [redacted] met a white Chevrolet Express Van with BC Lic: DE 4946. [redacted] returned to the casino carrying a yellow and black reusable shopping bag. He headed back to Salon Prive. Surveillance could not identify the driver of the Van. He presented cash consisting of 3,001 x $20 for a							
2015JUL10	92053	35714	River Rock	[redacted]	[redacted]	[redacted]	$ 244,980	$ 269,990	At 2134 hrs [redacted] crossed the street and met unidentified male who gave him large black bag. [redacted] returned to Salon, carrying large bag and presented 9,999 X $20 and 1x$10 for $199,990.00. At 0152 hrs [redacted] was seen on River Rd waiting for white mini-van (possibly Toyota). Vehicle pulled up and [redacted] was handed a white bag that he took to the cage and presented 2250 X $20 and 250x$100							
2015JUL11	92053	35864	River Rock	[redacted]	[redacted]	[redacted]	$ 50,000	$ 50,000	At 1434 hrs [redacted] arrived in a white BMW BC Lic: AV2 985. [redacted] attends the cage and presented 2500 x $20 bills for a total of $50,000.							
2015JUL11	92053	35886	River Rock	[redacted]	[redacted]	[redacted]	$ 201,120	$ 220,025	At 1602 hrs [redacted] was dropped off by a white Cadillac Esplanade. [redacted] carried a black man purse and a dark colored hand bag At the cage he emptied the handbag and places numerous bricks of $20 onto the counter cash consisted of 6000 x $20 totaling $120,000.00. It was noted that the same color and model vehicle bearing BC Lic: P HA9213 is associated to JIN, Paul King. At 1708 hrs [redacted] met up with a white Toyota Sienna, BC Lic:603MMK. [redacted] received a large red bag from the back of the vehicle. [redacted] returned to the cage where he emptied the bag containing 3099 x $5 bills, 201 x $10 bills, 4056 x $20 b[redacted] and 10[redacted]s for a	JIN Paul King [redacted]	On both occasions it appears that [redacted] was dealing with Paul JIN a known dealer in supplying cash to high level players.					
2015JUL11	92053	35942	River Rock	[redacted]	[redacted]	[redacted]	$ 95,000	$ 100,000	At 2105 hrs [redacted] arrived [redacted] and an unknown male. At 2108 hrs [redacted] met a white TOYOTA SIENA (similar that was used by JIN, Paul) and received a black bag that he gives to [redacted] who presented the cash consisting of 4750 x $20 and 50 x $100 bills for a total of	JIN Paul King [redacted]	It would appear that [redacted] received his cash after arrangments made with JIN or his associates.			[redacted]		
2015JUL11	92053	35969	River Rock	[redacted]	[redacted]	[redacted]	$ 70,000	$ 87,000	At 2301 hrs [redacted] arrived on-site with [redacted] in a white Lexus SUV with BC Lic: AS8 39L. [redacted] carried a white paper bag to the cage and presented 3,500 x $20 and 150 x $100 for a total of							
2015JUL12	92053	36059	River Rock	[redacted]	[redacted]	[redacted]	$ 60,000	$ 100,000	At 1230 hrs [redacted] arrived as the driver of a black Porsche Cayenne, BC Lic:BH660A. He carried a blue "Guess" bag to the cage presenting 3000 x $20 and 400 x $100 bills for a total of $100,000.00.							
2015JUL12	92053	36061	River Rock	[redacted]	[redacted]	[redacted]	$ 200,060	$ 200,060	At1244 hrs [redacted] arrived large blue bag from which he presented cash that consisted of 10003 X $20 bills for a total of $200,060.00.							
2015JUL12	92053	36076	River Rock	[redacted]	[redacted]	[redacted]	$ 30,020	$ 120,020	At 1413 hrs [redacted] accompanied by [redacted] arrived. [redacted] carried a green bag to the cage and presented cash from it consisting of 1501 X $20, 26 X $50 and 887 X $100 bills for a total of						[redacted]	
2015JUL12	92053	36078	River Rock	[redacted]	[redacted]	[redacted]	$ 120,000	$ 120,000	At 1423 hrs [redacted] met a Toyota sedan in the driveway. The Asian male driver opens the trunk and [redacted] grabs two bags from the trunk. [redacted] then heads to the salon prive cage where he emptied the bags of cash consisting of 6000 x $20 bills for a							
2015JUL12	92053	36081	River Rock	[redacted]	[redacted]	[redacted]	$ 60,000	$ 60,000	At 1457 hrs [redacted] arrived in a white Range Rover BC Lic: AM991S as a lone occupant. [redacted] carried a white bag from which he presented cash consisting of 3000x$20 bills for a total of $60,000.00.							
2015JUL12	92053	36132	River Rock	[redacted]	[redacted]	[redacted]	$ 200,060	$ 350,060	Between 1514 hrs and 2033 hrs [redacted] bought in for total of $350,060.00 using 1500 x $100 and 10003 x $20 bills in four separate occasions		[redacted] arrived with an amount of cash to initially buy in by producing 100 X $100 bills. On the second he received a bag of cash from a vehicle that delivered it to the driveway. (1400 X $100 bills) the third delivery was by a Toyota Aventus for (5002 x $20 bills) On the fourth he left in his vehicle and returned					
2015JUL12	92053	36137	River Rock	[redacted]	[redacted]	[redacted]	$ 300,000	$ 300,000	At 1906 hrs [redacted] was dropped off by a red Porsche. He attended the cage and presented 15002 x $20.00 bills for a total of $300,040.00. $40 was returned to [redacted]							
2015JUL12	92053	36178	River Rock	[redacted]	[redacted]	[redacted]	$ 197,040	$ 200,060	At 2340 hrs [redacted] arrived on site. He proceeded directly to the cage and presented 2500 x $20.00 bills for a total of $50,000.00. At 0124 hrs a second buy in by [redacted] consisted of 7 X $100.00, 4 X $50.00, 7352 X $20.00, 181 X $10.00 and 62 X $5.00 bills for a total of $150,060.00. [redacted] had simply returned to his vehicle in the parkade for the							

2015JUL10	92053	35653	Edgewater	[redacted]	[redacted]		$ 70,000	$ 70,000	At 1609 hrs [redacted] presented 3500 X $20 bills for a total of $70,000.00							
2015JUL13	92053	36298	River Rock	[redacted]	[redacted]	[redacted]	$ 250,060	$ 250,060	At 1805 hrs [redacted] arrived carrying a large brown bag. [redacted] emptied the bag at CD19-VIP, revealing numerous $20 bills held together with elastic bands. The cash consisted of 12503 X $20 bills for a total of $250,060.00. [redacted] and his associates left Salon and entered Sea Harbor Restaurant. *At time of report completion, [redacted] and associates h[redacted]urned to Casino to game.					[redacted]		
2015JUL13	92053	36321	River Rock	[redacted]	[redacted]	[redacted]	$ 133,980	$ 140,000	At 2022 hrs [redacted] arrived and presented cash consisting of 4300 X $20 and 80 X $50 bills for a total of $90,000.00. At 2137 hrs [redacted] was observed leaving the Salon using his cell phone. At 2249 hrs [redacted] was dropped off at the hotel lobby by a grey Lexus ES 300 BCLP 089 RNT associated to [redacted] He proceeded directly to the SALON private cage and presented 2399 x $20.00, 100 x $10, and 204 x $5					[redacted]		
2015JUL13	92053	36345	River Rock	[redacted]	[redacted]	[redacted]	$ 60,000	$ 135,000	At 2229 hrs [redacted] and his [redacted] were dropped off at the casino by the unidentified driver of a white Acura SUV with undetermined license plates [redacted] presented a bag of cash containing $20.00, $50.00, and $100.00 bills that amounted to $135,000.00.					[redacted]	White Acura SUV {Undetermined license plates}	
2015JUL14	92053	36480	River Rock	[redacted]	[redacted]	[redacted]	$ 189,980	$ 299,000	[redacted] left the site in a taxi after gaming earlier in the afternoon. He returned to the casino as the passenger in a white BMW with undetermined license plates and produced the bag of cash which contained $20.00, $50.00, and $100.00 bills.						White BMW sedan with undetermined license plates	
2015JUL14	92053	36530	River Rock	[redacted]	[redacted]	[redacted]	$ 50,000	$ 50,000	[redacted] arrived at the casino with a bag of cash that consisted entirely of $20.00 bills.						Vehicle was not identified by the footage.	
2015JUL15	92053	36550	River Rock	[redacted]	[redacted]	[redacted]	$ 200,000	$ 240,000	[redacted] was in the casino with his [redacted] Subsequent to a phone call, both [redacted] and [redacted] exited the casino and met with the unidentified driver of a white Escalade pick-up that is associated to JIN, Paul King. They obtained a bag of cash from the occupant of the vehicle and returned to the casino and played at a high stakes level.		Cash obtained from vehicle believed to be associated to loan shark JIN, Paul King.			[redacted]	White Escalade Pick-up truck with unconfirmed license plates. Vehicle is associated to JIN, Paul King with plates {HA [redacted]}	
2015JUL14	92053	36413	River Rock	[redacted]	[redacted]	[redacted]	$ 45,020	$ 53,020	At 1013 hrs [redacted] bought in for 2251 X $20, 36 X $50 and 62 X $100 bills for a total of $53,020.00.							
2015JUL14	92053	36447	River Rock	[redacted]	[redacted]	[redacted]	$ 60,000	$ 100,000	At 1355 hrs [redacted] bought in with 3000 X $20, 400 X $50 and 200 X $100 bills for a total of $100000							
2015JUL14	92053	36531	Grand Villa	[redacted]	[redacted]	[redacted]	$ 100,000	$ 100,000	At 2319 hrs [redacted] presented 5000 X $20 bills for a total of $100,000.00.							
2015JUL15	92053	36615	River Rock	[redacted]	[redacted]	[redacted]	$96,880.00	$100,030.00	At 14:05 hrs [redacted] was dropped off at the casino by the unidentified occupant of a black Fiat with undetermined license plates. He produced a bag of cash that consisted predominately of $20.00 bills as well as some $10.00 and $5.00 bills and one $50.00 bill.						black Fiat with undetermined license plates.	
2015JUL15	92053	36614	River Rock	XU	[redacted]	[redacted]	$ 55,000	$ 95,000	At 1424 hrs XU, [redacted] was dropped off by a white BMW X5 BC lic:777XST. XU exited the vehicle carrying a bag. XU presented cash out of the bag that consisted out of 2750 X $20 and 400 X $100						white BMW BC Lic:777XST RO:	
2015JUL15	92053	36708	Edgewater	[redacted]	[redacted]	[redacted]	$ 30,000	$ 60,000	[redacted] conducted a buy in for $60,000 (1,500 x $20, 300 x $100)							
2015JUL15	92053	36621	River Rock	[redacted]	[redacted]	[redacted]		$ 770,860	[redacted] arrived on several occasions over several hours and presented a number of buyin using substantital $20 bills.							
2015JUL16	92053	36805	River Rock	[redacted]	[redacted]	[redacted]	$ 55,000	$ 70,000	At 17:28 hrs [redacted] arrived at the casino as the sole occupant of a white BMW SUV with undetermined license plates. He produced a bag of cash that consisted of $20.00 and $100.00 bills and played at a high stakes level.						white BMW SUV with undetermined license plates.	
2015JUL16	92053	36764	Starlight	SHI	Guo Tai	[redacted]	$ 49,100	$ 300,000	At 12:25 hrs SHI arrived at the casino as the passenger in white Toyota Camry {032 MPA} driven by [redacted]. SHI produced a bag containing $20.00, $50.00, and $100.00 bills. Upon the conclusion of his play SHI cashed out for $435,000.00 and received $100.00 bills. He left in the Toyota with [redacted].					[redacted]	white Toyota Camry {032 MPA}	

2015JUL16	92053	36802	River Rock	[redacted]	[redacted]	[redacted]	$ 56,000	$ 56,000	At 16:35 hrs [redacted] arrived at the casino as the sole occupant of a silver Volkswagen Passat {925 PRJ}. He was in possession of a bag from which he produced six bricks of $20.00 bills which amounted to $56,000.00. Upon the receipt of the chips [redacted] left the casino in the Passat, He left the chips on the table.						silver Volkswagen Passat {925 PRJ}	
2015JUL17	92053	37017	River Rock	[redacted]	[redacted]	[redacted]	$ 240,000	$ 250,000	At 2051 hrs [redacted] and [redacted] arrived on foot. [redacted] was carrying red bag. [redacted] presented 2000x$20 and 100x$100 for a total of $50,000.00. At 2214 hrs [redacted] exited the Casino, while [redacted] remained playing on MDB10. [redacted] met a a white Cadillac EXT. An unknown male exited the vehicle and handed [redacted] a light-blue bag. The Cadillac EXT promptly drove off-site. [redacted] headed back into the Casino and presented cash from the bag [redacted] 0,000 x $20 for a total of					[redacted]		
2015JUL18	92053	37143	River Rock	[redacted]	[redacted]	[redacted]	$ 81,020	$ 151,020	At 1304 hrs [redacted] arrived and presented his first of four buy ins. He presented cash consisting of 1701 x $20 & 200 x $100 bills for a total of $54,020.00. At 1423 hrs [redacted] returns to his Passat in the south parkade. He opens the trunk and appears to have removed something from it, he returns to the cage and presents bundles of $100 bills from his pocket consisting of 500 x $100 totaling $50,000.00. [redacted] leaves the casino and at 1648 hrs [redacted] returns in a black Range Rover. At 1651 hrs [redacted] presented 2250 X $20 bills for a							
2015JUL18	92053	37236	River Rock	[redacted]	[redacted]	[redacted]	$ 60,060	$ 60,060	At 21:36 hours [redacted] and his female companion [redacted] were dropped off at the casino by the unknown occupant of a white Mercedes sedan with undetermined license plates. He produced the bundles of $20.00 bills from her purse and played at a high stakes level.					[redacted]	white Mercedes sedan with undetermined license plates	
2015JUL18	92053	37185	River Rock	[redacted]	[redacted]	[redacted]	$ 90,000	$ 90,000	At 1708 hrs [redacted] arrived from the 11th floor of the Hotel and presented 4500 X $20 bills for a total of $90,000.00.							
2015JUL18	92053	37277	River Rock	[redacted]	[redacted]	[redacted]	$ 293,340	$ 300,000	At 23:05 hour [redacted] was outsid the casino with [redacted], and [redacted]. A white Cadillac pick-up with unidentified driver and unconfirmed license plates stopped on River Road and all three subjects approached the vehicle. After about a mnute they walked away from the vehicle with [redacted] carrying a suitcase. Just before the VIP Room the suitcase was passed to [redacted] and he bought-in with cash from the suitcase.		Vehicle that deliovered the cash to the casino is associated to suspected loan shark JIN.			[redacted]	white Cadillac Escalade pick-up truck with unconfirmrd license plates. Vehicle is associated to Paul King JIN	
2015JUL18	92053	37260	Edgewater	[redacted]	[redacted]		$ 47,420	$ 50,020	At 2335 hrs [redacted] conducted a buy in for $50,020 (2,371 x $20, 52 x $50)							
2015JUL19	92053	37445	River Rock	[redacted]	[redacted]	[redacted]	$ 50,000	$ 50,000	[redacted] exited the Sea Harbour Restaurant accompanied by [redacted]. He was in possession of a bag of cash that consisted entirely of $20.00 bills.					[redacted]		
2015JUL19	92053	37486	River Rock	[redacted]	[redacted]	[redacted]	$ 50,000	$ 50,000	At 23:24 hours [redacted] arrived at the casino as the sole occupant of a black Mercedes SUV with undetermined license plates. He produced a bag of cash that consisted entirely of						Black Mercedes SUV with undetermined license plates	
2015JUL20	92053	37502	River Rock	[redacted]	[redacted]		$ 99,980	$ 100,000	[redacted] arrived at the casino with a bag of cash that consisted almost entirely of $20.00 bills. Upon the receipt of the chips he passed all, or almost all of the chips to [redacted].					[redacted]		
2015JUL18	92053	37235	Edgewater	[redacted]	[redacted]		$ 200,060	$ 200,060								
2015JUL18	92053	37187	Edgewater	SHI	Guo Tai	1956OCT27	$ 200,000	$ 400,000	SHI, Guo made two separate buy ins. One entirely of $20 bills for a total of $200,000.00. The second with mixed $50 and $100's also totalling $200,000.00.					[redacted]		
2015JUL18	92053	37166	Edgewater	[redacted]	[redacted]	[redacted]		$ 200,000	[redacted] present only $50 & $100 bills, however they were wrapped in bundles with elastic bands.							
2015JUL20	92053	37576	River Rock	[redacted]	[redacted]	[redacted]	$ 92,480	$ 94,480	At 1310 hrs [redacted] arrived in a black Mercedes ML BC Lic:AS098F. Vehicle is believed to be driven by [redacted] carried a white shopping bag and presented cash that consisted of 4624x$20, 34x$50 and 3x$100 bills for a total of $94,480.00.					[redacted]		
2015JUL20	92053	37624	Edgewater	[redacted]	[redacted]		$ 50,000	$ 50,000	[redacted] presented the total of $50,000.00 all in $20 bills.							

2015JUL20	92053	37614	Edgewater	QIN	[redacted]	[redacted]	$ 80,000	$ 80,000	At 1752 hrs QIN, [redacted] and his female associate arrived via taxi. QIN carried a blue paper shopping bag to the cage and dumped the contents revealing what amounts to $80,000.00 all of which are $20 bills. It is noted that the bills were bound with elastic bands and not arranged in a consistent fashion. It is also noted that the original count of bills was $80,020.00 however, $20 was returned to							
2015JUL20	92053	37566	River Rock	[redacted]	[redacted]	[redacted]	$ 59,020	$ 59,020	At 12:17 hours [redacted] arrived at the casino in an Audi sedan {205 XKP}. She was accompanied by [redacted]. Both female subjects went to the VIP Room and [redacted] produced a bag of cash that consisted entirely of $20.00 bills. Upon the receipt of her chips, [redacted] placed the 11 x $5,000.00 chips in her purse and only played with the remaining chips.		[redacted] passed unknown amount of chips to [redacted] while her buy-in was being counted.			[redacted]	Audi sedan {205 XKP}	
2015JUL21	92053	37836	River Rock	[redacted]	[redacted]	[redacted]	$ 50,000	$ 50,000	At 20:00 hours [redacted] arrived at the casino in a white Range Rover with undetermined license plates. He produced a bag of cash that consisted entirely $20.00 bills.						white Range Rover with license plates identified as { AM 991S} during a	
2015JUL21	92053	37778	Starlight	SHI	Guo Tai	[redacted]	$ 100,000	$ 600,000	At 14:10 hours SHI, Guo Tai arrived at the casino as the passenger in a white Toyota sedan {032 MPA} that was driven by [redacted]. SHI bought-in for $300,000.oo with the cash consisting of $50.00 and $100.00 bills. At 16:20 hours SHI left the casino in a taxi. He returned six minutes later, by taxi with another bag of cash. He then bought-in for another $300,000.00 with $100,000.00 of the bills being $20.00 bills.					[redacted]	white Toyota sedan {032 MPA}	
2015JUL22	92053	38002	River Rock	[redacted]	[redacted]	[redacted]	$ 57,020	$ 57,020	At1833 hrs [redacted] was dropped off by a white Mercedes SUV BC Lic: 695WNS. [redacted] carried her purse and small shopping bag. [redacted] entered Salon and went to MDB 28; she took couple of $1K chips and played two hands before presenting 2,851x$20 bills for a total of $57,020.00. [redacted] did not play at MDB 27. She attempted to cash out for $20,720.00. (4x$5K, 1x$500, 2x$100 and 4x$5). She was told she would receive $20 bills for the cash out. [redacted] went to MDB 26 then to MDB 28 and MDB 25 to play [redacted] gnificant amounts		Appears to be an attempt to colorup some of the buy in portion.			[redacted]	Mercedes SUV BC Lic:695WNS	
2015JUL22	92053	37970	River Rock	[redacted]	[redacted]	[redacted]	$ 199,980	$ 200,080	At 14:32 ho [redacted] arrived at the casino with a bag of cash that consisted of 9,999 x $20.00 and 1 x $100.00 bills.							
2015JUL22	92053	38012	River Rock	[redacted]	[redacted]	[redacted]	$ 50,000	$ 50,000	At 1952 hrs [redacted] arrived carrying a shopping bag and presented 2500x$20 bills for a total of $50,000.00. His bets were between $1K and $3K per							
2015JUL23	92053	38054	River Rock	[redacted]	[redacted]	[redacted]	$ 69,980	$ 70,000	At 01:08 hours [redacted] arrived at the casino as the passenger in a black BMW {973 TEM}. He produced a bag of cash that contained 3,499 x $20.00 and 2 x $10.00 bills.						black BMW {973 TEM}	
2015JUL23	92053	38100	River Rock	[redacted]	[redacted]	[redacted]	$ 50,020	$ 50,020	[redacted] arrived on foot carrying a red bag. He presented 2501 X $20 bills for a total of $50,020.00. [redacted] lost all the cash and left on foot.							
2015JUL23	92053	38150	River Rock	[redacted]	[redacted]	[redacted]	$ 70,000	$ 70,000	[redacted] came from a room on the sixth floor of the East hotel tower with a bag of cash. The cash consisted entirely of $20.00 bills.							
2015JUL23	92053	38160	River Rock	SHI	Guo Tai	1956OCT27	$ 100,040	$ 300,040	SHI, Guo Tai and [redacted] met with the unidentified driver of a gray Acura SUV with undetermined license plates. SHI acquired a bag of cash and [redacted] obtained a cel phone from the vehicle. Then [redacted] joined them and all three went to the VIP Room. SHI presented the bag of cash for the buy-in. While the buy-in was processed SHI received $38,000.00 in chips from [redacted]. SHI then received $200,000.00 in chips from [redacted]. He subsequently received his chips and played at a high stakes level throughout.			$38,000.00 passed to SHI from [redacted] Then $200,00.00 passed to SHI from [redacted]		[redacted]	gray Acura SUV with undetermined license plates	
2015JUL23	92053	38191	River Rock	XU	[redacted]	[redacted]	$ 100,000	$ 100,000	XU arrived on foot from the Hotel and presented cash consisting of 5000 X $20 bills for a total of $100,000.00					XU		
2015JUL23	92053	38259	River Rock	[redacted]	[redacted]	[redacted]	$ 100,000	$ 100,000	At 0458 hrs [redacted] arrived in a black Mercedes Sedan BC Lic: AT2 22L [redacted] was the driver. [redacted] carried a black paper bag that he presented cash from consisting of 5000 X $20 bills for a total of					[redacted]		

2015JUL23	92053	38167	River Rock	[redacted]	[redacted]	[redacted]	$ 100,000	$ 100,000	[redacted] came from a room on the ninth floor of the West hotel tower with a bag of cash. He produced $100,000.00 from the bag that consisted entirely of $20.00 bills.							
2004JUL23	92053	38184	Edgewater	[redacted]	[redacted]	[redacted]	$ 49,980	$ 49,980	At 2118 hrs [redacted] {F} arrived on site in the passenger side of a silver Lexus sedan (temporary license #7G0X4G).The vehicle was driven by an unknown Asian female associate. [redacted] entered the Salon carrying a purple handbag and presented cash consisting of 2499 X $20 bills for a total of 49,980.00.							
2015JUL24	92053	38272	River Rock	[redacted]	[redacted]	[redacted]	$ 170,060	$ 170,060	At 09:23 hours [redacted] arrived at the casino as the sole occupant of a white Lexus SUV {AS 839L}. He emptied a bag of cash for a buy-in of $100,040.00. The cash consisted entirely of $20.00 bills. At 11:41 hours [redacted] arrived at the casino in the same Lexus SUV {AS 839L} and went to the VIP Room with another bag. She gave the bag to [redacted] and he went to the cash cage and emptied the contents for a buy-in of $70,020.00. Th[redacted]onsisted entirely of					[redacted]	white Lexus SUV {AS 839L}	
2015JUL24	92053	38302	River Rock	[redacted]	[redacted]	[redacted]	$ 100,020	$ 100,020	At 13:10 hours [redacted] arrived at the casino in a burgundy coloured Mercedes SUV {HMM 168}. He exited the vehicle with a bag that he brought to the VIP area. He emptied the bag for a buy-in of $100,020.00. The cash consisted entirely of $20,000 bills.						burgundy coloured Mercedes SUV {HMM 168}	
2015JUL24	92053	38380	River Rock	[redacted]	[redacted]	[redacted]	$ 100,020	$ 250,020	At 21:29 hours [redacted] exited the Sea Harbour Restaurant and met with the occupants of a gray Honda Accord {BA8 08X}. He obtained a bag of cash and returned to the casino where he emptied the bag for a buy-in of $200,020.00 of which $100,020.00 was in $20.00 bills and the remainder consisted of $50.00 bills. Later, at 05:08 hours on the morning of July 25th, [redacted] and [redacted] exited the casino together. They went to a burgundy coloured Mercedes SUV {HMM 168} that was parked in the East lot. [redacted] retrieved a bag from the vehicle and both subjects returned to the VIP Room. [redacted] emptied the bag for a further buy-in of $50,000.00 with the cash cons[redacted]rely of $50.00 bills.					[redacted]	gray Honda Accord {BA8 08X} burgundy Mercedes SUV {HMM 168}	
2015JUL24	92053	38320	River Rock	[redacted]	[redacted]	[redacted]	$ 100,000	$ 100,000	At 15:36 hours [redacted] walked onto the site, coming from Great Canadian Road. He was carrying a back pack that he brought to the VIP Room. He emptied the pack for a buy-on of $100,000.00 with thecash consisting entirely of $20.00 bills.							
2015JUL24	92053	38354	River Rock	[redacted]	[redacted]	[redacted]	$ 200,000	$ 200,000	At 19:18 hours [redacted] was waiting in front of the South hotel tower when a gray Volkswagen Jetta {AM1 64R} pulled into the roundabout. [redacted] retrieved a bag from the rear of the vehicle which then drove away. [redacted] went to the VIP Room with the bag and bought-in for $200,000.00 with the cash consisting entirely of $20.00 bills.						gray Volkswagen Jetta {AM1 64R}	
2015JUL24	92053	38384	River Rock	CHEN	[redacted]	[redacted]	$ 53,000	$ 100,000	At 21:53 hours CHEN [redacted] arrived at the casino in a white Toyota Sienna van {959 MML}. He carried a bag of cash into the VIP Room and bought-in for $50,000.00 with $43,000.00 of the cash consisting of $20.00 bills. Later, at 15:58 hours on July 25th CHEN exited the casino and met with an unidentified Asian female on River Road. She had exited a dark coloured sedan and passed him a bag. CHEN returned to the casino and emptied the bag for another buy-in of $50,000.00. Of this amount $10,000.00 consisted of $20.00 bills with the remaining cash consisting of $50.00 and $100.00							
2015JUL26	92053	38787	River Rock	[redacted]	[redacted]	[redacted]	$ 200,120	$ 200,120	At 1754 hrs [redacted] received a red bag from a black Cadillac Escolade BC Lic JD7571 in the driveway and presented cash from the bag consisting of 6251 X $20, 1302 X $50 and 100 X $100 bills for a total of $200,120.00.							
2015JUL26	92053	38826	River Rock	[redacted]	[redacted]	[redacted]	$ 48,720	$ 48,770	At 2236 hrs [redacted] presented 2436 X $20 and 1 X $50 bill for a total of $48,770.00.							

2015JUL26	92053	38750	Edgewater	[redacted]	[redacted]	[redacted]	$ 55,000	$ 300,000	At 1515 hrs [redacted] returned after leaving the site. [redacted] was carrying a red plastic bag. At the cage, he presented 2450 X $100 and 2750 X$20 bills for a total of $300,000.00.								
2015JUL26	92053	38500	Starlight	[redacted]	[redacted]	[redacted]	$ 29,980	$ 70,080	At 1006 hrs [redacted] presented 1499 x $20, 200 x $50 and 101 x $100 bills for a total of $50,080.00. [redacted] buys in a further at 1134 hrs with $20,000.00 from his player gaming fund.								
2015JUL27	92053	38924	River Rock	[redacted]	[redacted]	[redacted]	$ 100,000	$ 100,000	At 1500 hrs a pearl white Cadillac Escalade Truck, (Lic: could not be determined though the vehicle resembled one in the profile of BCLC barred patron JIN Paul), stopped just short of the entrance and [redacted] exited the vehicle carrying a black bag. [redacted] emptied the bag and presented 5000 x $20's for a								
2015JUL26	92053	38766	River Rock	[redacted]	[redacted]	[redacted]	$ 55,000	$ 55,000	At 16:356 hours [redacted] arrived at the casino in a black Mercedes {111 MPA}. He exited the vehicle with a bag that contained the cash. He bought-in for $55,000.00 which consisted entirely of $20.00 bills. Upon the receipt of his chips he cashed out $10,000.00 worth and left the casino in a black Range Rover {709 NDV} that picked him up. At 18:07 hours [redacted] returned to the casino and cashed out another $15 000.00 of his chips. he then gave tis cash to XU [redacted] and then played with the remainder						XU [redacted]	black Mercedes {111 MPA} black Range Rover {709 NDV}	
2015JUL	92053	39010	River Rock	[redacted]	[redacted]	[redacted]	$ 70,000	$ 90,000	At 0012 hrs [redacted] arrived accompanied by [redacted] carried a blue plastic bag to the cage and presented 200 X $100 and 3500 X $20 bills for a total of $90,000.00.								
2015JUL27	92053	38958	River Rock	[redacted]	[redacted]	[redacted]	$ 150,000	$ 150,000	At 17:34 hours [redacted] arrived at the RRCR as the sole occupant of a gray Infiniti SUV {617 TWW}. He exited the vehicle with a gym bag that contained the buy money. He bought-in for $150,000.00 which consisted of 7,500 x $20.00 bills.							gray Infiniti SUV {617 TWW}.	
2015JUL28	92053	39014	River Rock	[redacted]	[redacted]	[redacted]	$ 100,000	$ 200,000	At 00:28 hours [redacted] arrived at the RRCR and parked his burgundy coloured Mercedes SUV {HMM 168} on River Road. He exited the vehicle with a shopping bag that contained his buy-in money. He went to the VIP Room and emptied the bag for a buy in of $200,000.00. The cash consisted of $20.00, $50.00, and $100.00 bills.							burgundy coloured Mercedes SUV {HMM 168}	
2015JUL28	92053	38974	Starlight	[redacted]	[redacted]	[redacted]	$ 70,000	$ 150,000	At 1900 hrs [redacted] presented cash consisting of 3500 X $20 and 200 X $100 for a total of $150,000.00								
2015JUL28	92053	39058	River Rock	[redacted]	[redacted]	[redacted]	$ 800,040	$ 600,040	At 10:47 hrs [redacted] left the VIP area where he had been gaming. He exited the casino and met with an unidentified Asian female from a gray Honda Accord {BA 808X}. He obtained a bag of cash from the trunk of the vehicle and subsequently bought-in for $200,020.00 of which $100,020.00 consisted of $20.00 bills. At 18:34 hours, having lost all his chips [redacted] exited the casino and met with the unidentified occupants of a gray Acura SUV with undetermined license plates. He subsequently obtained a shopping bag and returned to the VIP Room and bought-in for a further $200,000.00 with the cash consisting entirely of $20.00 bills. At 23:52 hours [redacted] had again exhausted his chips. He left the casino accompanied by a Guest Services member and again met with the occupants og the gray Acura SUV. He obtained a large travel bag from the rear of the vehicle and with the Guest Services member he returned to the VIP Room. He then bought-in for $400,020.00 with $300,020.00 of the cash consisting of $20.00 bills. he then resumed play at a high stakes level.							gray Honda Accord {BA 808X} gray Acura SUV with undetermined license plates	
2015JUL28	92053	39079	River Rock	[redacted]	[redacted]	[redacted]	$ 93,380	$ 100,080	At 13:27 hours [redacted] arrived at the RRCR as the sole occupant of a white Range Rover {366 XSV}. He exited the vehicle with a bag of cash that he presented at the VIP Room. The buy-in was for $100,080.00 of which $93,380.00 consisted of $20.00 bills. Upon the receip of the chips he passed $95,000.00 of them to [redacted]. Both subjects began their play.						[redacted]	white Range Rover {366 XSV}	

2015JUL28	92053	39095	River Rock	[redacted]	[redacted]	[redacted]	$ 144,020	$ 144,020	At 14:14 hours [redacted] arrived at the RRCR as the passenger in a Mercedes {AT 222L} driven by [redacted] The vehicle was parked in the VIP area, whereupon [redacted] went to the Sea Harbour Restaurant and [redacted] went to the private cash cage with a bag. [redacted] subsequently bought-in for $144,020.00 with the cash consisting entirely of $20.00 bills.					[redacted]	Mercedes {AT 222L}	
2015JUL28	92053	39142	River Rock	[redacted]	[redacted]	[redacted]	$ 65,000	$ 200,000	At 18:47 hours [redacted] left the VIP Room and met with the unidentified occupant of a black Acura SUV with undetermined license plates in the valet area. After a few moments he exited the vehicle with a bag and went to the VIP Room where he bought-in for $200,000.00 with $65,000.00 of the cash consisting of $20.00 bills.						black Acura SUV withnundetermined license plates	
2015JUL28	92053	39167	River Rock	[redacted]	[redacted]	[redacted]	$ 100,040	$ 100,040	At 21:25 hours [redacted] met on River Road with the unidentified occupant of a white Escalade with unconfirmed license plates. He obtained a bag from the vehicle and proceeded to the VIP Room. He then bought-in for $100,040.00 with the cash consisting entirely of $20.00 bills.		Although unconfirmed, the Escalade is likely the vehicle controlled by loan shark JIN, Paul King				white Cadillac Escalade with unconfirmed license plates	
2015JUL28	92053	39177	River Rock	[redacted]	[redacted]	[redacted]	$ 58,000	$ 60,000	At 22:17 hours [redacted] was dropped off at the RRCR from a dark coloured Cadillac SUV. He exited the vehicle with a bag and went to the VIP area where he emptied the bag for a buy-in of $60,000.00 with $58,000.00 of the cash consisting of $20.00 bills.						dark coloured Cadilac SUV with undetermined license plates	
2015JUL28	92053	39179	River Rock	[redacted]	[redacted]	[redacted]	$ 60,000	$ 60,000	At 22:10 hours [redacted] was seen coming from the west parkade while carrying a bag. He proceeded to the VIP Room where he emptied the bag for a buy-in of $60,000.00. The cash consisted entirely of $20.00 bills.							
2015JUL29	92053	39263	River Rock	[redacted]	[redacted]	[redacted]	$ 324,860	$ 598,410	At 11:01 hour [redacted] came from a room in the hotel with a bag of cash. He bought-in for $58,600.00 with the cash consisting entirely of $100.00 bills. At 12:45 hours [redacted] left the RRCR and met with the unidentified occupant of a white BMW sedan with undetermined license plates on River Road. He obtained a bag of cash which he used for a buy-in of $200,000.00 with the cash consisting entirely of $20.00 bills. [redacted] later left the RRCR but returned at 19:06 hours. He was dropped off from a taxi and returned to the VIP Room with another bag of cash. This buy-in was for $199,810.00 with $119 860.00 consisting of $20.00 bills. At 23:05 hour [redacted] concluded his gaming and was paid out in excess of $100,000.00. He then played further with these winnings which are not included in the totals reported here. On July 30 at 00:14 hours [redacted] bought-in for $10,000.00 using $50.00 bills to do so. Then at 00:16 hours [redacted] bought-in for $90,000.00 using $100.00 bills. Then he left the RRCR. He returned at 01:59 hours in a taxi and brought another bag to the VIP area and bought-in for another $140,000.00 with $5,000.00 of the cash consisting of $20.00 bills.						white BMW seadn with undetermined license plates	
2015JUL29	92053	39276	River Rock	[redacted]	[redacted]	[redacted]	$ 178,000	$ 180,000	At 13:54 hours [redacted] arrived at the RRCR in a black BMW X5 {858K}. He was accompanied by [redacted] was in possession of a bag and both subjects went to the VIP area. [redacted] emptied the bag for a buy-in of $70,000.00 with the cah consisting entirely of $20.00 bills. Upon the receipt of the chips [redacted] passed $50,000.00 to female subject RONG Jian Qiu who then placed them in her purse. [redacted] then played with the remainder of his chips until he exhausted them. He then left the casino. At 23:04 hours [redacted] returned to the casino as the passenger in a black BMW SUV with undetermined license plates. he then returned to the VIP Room accompanied by the unidentified Asian male who was the driver. [redacted] then bought-in for an addition al $110,000.00 of which $108,000.00 consisted of $20.00 bills.		$50,000.00 chips from the buy-in were passed to RONG who was observed to place them in her purse. She has a history of providing chips to high-limit players at the RRCR			[redacted]: RONG, Jian Qiu (f) DOB: [redacted]	black BMW X5 {858K}	

2015JUL29	92053	39252	River Rock	[redacted]	[redacted]	[redacted]	$ 170,040	$ 170,040	At 11:27 hours [redacted] and his female companion [redacted] arrived at the RRCR in a white Lexus SUV {AS 839L}. Both subjects entered the casino together but [redacted] remained on the main gaming floor while [redacted] went to the VIP area with the bag. He empied the bag for a buy-in of $170,040.00 with the cash consisting entirely of $20.00 bills [redacted] did not wait for the cash to be counted. he had an unknown amount of chips in his possession with which he commenced play. [redacted] was also later passed $50,000.00 in chips from [redacted] when his bankroll had been depleted.		[redacted] arrived at the casino with an unknown amount of unsourced chips in addition to the cash for his buy-in.	[redacted] would later receive $50,000.00 in chips from [redacted] as his buy-in was depleted.			white Lexus SUV {AS 839L}	
2015JUL30	92053	39470	River Rock	[redacted]	[redacted]	[redacted]	$ 140,000	$ 350,000	At 13:35 hours [redacted] exited the RRCR and met with the unidentified driver of a white BMW seadn with undetermined license plates. He obtained two bags from the vehicle which he brought to the VIP area for a buy-in of $250,000.00 of which $140,000.00 consisted of $20.00 bills. At 18:04 hours [redacted] left the casino and met with the unidetified driver of a black Cadillac Escalade {CJ 6759}. he obtained a bag and returned to the VIP area and bought-in for $100,000.00 with the cash consisting entirely of $100.00 bills.						white BMW sedan with undetermined license plates black Cadillac Escalade {CJ 6759}	
2015JUL30	92053	39552	River Rock	[redacted]	[redacted]	[redacted]	$ 60,020	$ 60,020	At 21:16 hours a dark coloured Toyota pick-up with undetermined license plates arrived at the RRCR. [redacted] exited the casino and met with the occupants and obtained a bag. He then returned to the VIP Room and bought-in for $60,020.00 with the cash consisting entirely of $20.00 bills.						dark coloured Toyota pick-up truck with undetermined license plates	
2015JUL29	92053	39365	River Rock	XU	[redacted]	[redacted]	$ 150,000	$ 150,000	At 21:37 hours a black Porsche Cayenne with undetermined license plates stopped in the south hotel roundabout. Then a silver coloured Mercedes coupe with undetermined license plates pulled in behind. The driver of The Mercedes approached the driver of the Porsche. Then XU [redacted] and [redacted] approached the driver's side of the Porsche. XU obtained a box from inside the vehicle and [redacted] obtained a bag. XU took the box to the VIP area and bought-in for $150,000.00 with the cash consisting entirely of $20.00 bills.					[redacted]	black Porsche Cayenne with undetermined license plates silver coloured Mercedes coupe with undetermined license plates	
2015JUL29	92053	39371	River Rock	[redacted]	[redacted]	[redacted]	$ 165,040	$ 214,140	At 21:37 hours a black Porsche Cayenne with undetermined license plates stopped in the south hotel roundabout. Then a silver coloured Mercedes coupe with undetermined license plates pulled in behind. The driver of The Mercedes approached the driver of the Porsche. Then XU, [redacted] and [redacted] approached the driver's side of the Porsche. XU obtained a box from inside the vehicle and [redacted] obtained a bag. XU took the box to the VIP area and bought-in for $150,000.00. with the cash consisting entirely of $20.00 bills [redacted] brought his bag into the casino and gave it to an unidentified Asian male who remained in the lobby with the bag while [redacted] went to a room in the hotel. [redacted] then returned to the lobby and retrieved the bag gor a buy-in of $150,020.00 with the cash consisting of $20.00 bills. At 23:49 hours the same unidentified subject went to the room in the hotel where [redacted] had gone earlier. He obtained a bag from the room which he brought yo [redacted] took the bag to the cash cage for a buy-in of $64,120.00 with $15,020.00 consisting of $20.00 bills.					XU [redacted]		
2015JUL29	92053	39366	River Rock	[redacted]	[redacted]	[redacted]	$ 50,000	$ 50,000	At 2209 hrs [redacted] arrived in a Rang Rover BC Lic:033RPS linked to [redacted] and [redacted]. [redacted] carried a black bag to the cage and presented cash consisting of 2500 X $20 bills.					[redacted]	Black Range Rover BC Lic:033RPS	
2015JUL29	92053	39389	River Rock	CHEN	[redacted]		$ 100,020	$ 100,020	At 2343 hrs CHEN, [redacted] was dropped off carrying a large bag that he presented cash from consisting of 5001 X $20 bills.							

2015JUL30	92053	39481	River Rock	[redacted]	[redacted]	[redacted]	$ 190,000	$ 190,000	At 1445 hrs [redacted] arrived in his vehicle and carried a brown bag to the cage and presented 5000 X $20 bills he commenced to wager all of it and lost preempting a chip pass presumably from [redacted] in the Washroom to allow him to continue gaming. At 1813 hrs [redacted] was observed returning from off site in his vehicle and again carried a black bag to the cage and presented another 4500 X $20					[redacted]		
2015JUL30	92053	39537	River Rock	[redacted]	[redacted]	[redacted]	$ 60,400	$ 99,995	At 1940 hrs [redacted] met a white Cadillac Escolade in the driveway and received a red shopping bag that he took to the cage and presented cash from consisting of mixed small denominations including 2919 X $5, 2500 X $10 and						white Cadillac Escolade	
2015JUL29	92053	39252	River Rock	[redacted]	[redacted]	[redacted]	$ 170,040	$ 107,040	At 1127 hrs [redacted] arrived driving a white Lexus SUV BC Lic: AS839L and carried a white bag to the cage presenting cash from it consisting of 8502 X $20 bills.							
2015JUL29	92053	39257	Edgewater	[redacted]	[redacted]	[redacted]	$ 116,680	$ 177,380	At 1052 hrs [redacted] arrived at the cage with a square shaped cardboard box and presented mixed denominations of cash including 5834 X $20 bills for his buy in.							
2015JUL30	92053	39577	Edgewater	[redacted]	[redacted]	[redacted]		$ 300,000	At 2317 hrs [redacted] arrived and was seen carrying a paper bag. He took the bag to cage 09 and produced bricks of $100 bills for a total of $300,000.00.							
2015JUL31	92053	39678	River Rock	[redacted]	[redacted]	[redacted]	$ 100,040	$ 100,040	At 15:28 hours [redacted] arrived at the RRCR as the sole occupant of a gray Dodge pick-up truck {EA 4718} that he actually parked on River Road to the East of the casino. He exited the vehicle with a backpack and walked from the vehicle into the casino. He emptied the pack for his buy-in which consisted entirely of $20.00 bills.						gray Dodge pick-up truck {EA 4718}	
2015JUL31	92053	39685	River Rock	[redacted]	[redacted]	[redacted]	$ 96,040	$ 96,040	At 16:08 hours [redacted] exited the RRCR and met with the unidentified driver of a black sedan. Further details of the vehicle could not be determined from the footage. [redacted] obtained two bags from the vehicle and took them to the VIP Room where he bought-in for $96,040.00 with the cash consiting entirely of $20.00 bills.						black sedan, no further details available	
2015JUL31	92053	39699	River Rock	SHI	Guo Tai	[redacted]	$ 360,000	$ 360,000	At 17:13 hours SHI, Guo Tai arrived at the RRCR as the sole occupant of a black sedan. Further details of the vehicle could not be determined from the footage. He exited the vehicle with a cardboard box and a bag whick he took to the VIP Room. He produced $360,000.00 with the cash consisting entirely of $20.00 bills. Although he did play, SHI left the casino with a large amount of chips. He left the site in a dark coloured Honda Accord with undetermined license plates.		SHI left the casino with at least $260,000.00 in chips.				black sedan, no further details available dark coloured Honda Accord with undetermined license plates	
2015JUL31	92053	39712	Edgewater	[redacted]	[redacted]	[redacted]	$ 100,000	$ 100,000	[redacted] presented 5000 X $20 bills for a total of $100 000.00.							

Appendix B

BRITISH COLUMBIA
The Best Place on Earth

Gaming Policy and Enforcement
Investigations and Regional Operations Division

SECTION 86 G C ACT REPORT

To be submitted without delay.

CONFIDENTIAL

This document is the property of Investigations and Regional Operations Division, Gaming Policy and Enforcement, is confidential and shall not be disclosed or divulged, in whole or in part, without prior consent of the Investigations and Regional Operations Division, Gaming Policy and Enforcement.

Date: July 09, 2015

Service Provider: GCC

Location: RRCR - 8811 River RD, Richmond B.C.

Occurrence: IN-15-35503 – SFT

This is EXHIBIT "E" referred to in the affidavit of KENNETH ACKLES affirmed before me in Kelowna, BC this 28 day of October, 2020.

SGT. 48698

A Commissioner for taking Affidavits in British Columbia

Date & Time of Occurrence: July 09, 2015 at 21:47hrs.

Details: $599K buy-in by [redacted] (SID: 14033) – 150 x $20 and 5,960 x $100. Buy-in was dropped off by a white Toyota Sienna (BCLP: 603 MMK) – attached to Paul JIN (SID: 118418).

#86961

Police Called: Yes ☐ No ☐ **Attended:** Yes ☐ No ☐

Police Force: **File Number:**

Investigating Officer(s) & Badge Number(s):

INFORMATION FILE
File # INV- 92053
Supervisor

Submitted by: River Rock Surveillance

GPEB Registration # : 61729

E-Mail [redacted]

Vander Graaf, Larry P EMNG:EX

From: Vander Graaf, Larry P EMNG:EX
Sent: Thursday, September 26, 2013 4:26 PM
To: Barber, Rob EMNG:EX; Willis, Dave EMNG:EX; Philip, Albert J EMNG:EX; Forshaw, Mark EMNG:EX; Ackles, Ken EMNG:EX; Blommaert, Dennis EMNG:EX; Burrows, Colin EMNG:EX; Meyer, Paul EMNG:EX
Cc: Schalk, Joe EMNG:EX; Dickson, Derek EMNG:EX; Chamberlain, Robert D EMNG:EX; Halpenny, Barry EMNG:EX; Giesbrecht, Al EMNG:EX; Werner, Peter H EMNG:EX; Mulcahy, William EMNG:EX
Subject: RE: ML in BC Casinos

Importance: High

Good afternoon,

The majority of the Casino Unit attended our meeting yesterday on the money laundering topic. I will try and recap the meeting from my perspective.
This meeting was held in conjunction with the Division biweekly Directors meeting, thus other staff from this Division were at the meeting in person and via video conference. As you were all aware Anti Money Laundering (AML) or Money Laundering (ML) in BC Casinos, depending on how you look at it, is the number one Strategic Priority for the Investigation and Regional Operations Division as well as the Gaming Policy and Enforcement Branch. To try and put the entire issue in context I felt it was necessary to provide all of you with a confidential email very briefly outlining the history of suspected money laundering in casinos in British Columbia. At our meeting I generally went over the history and asked all of you to speak openly and frankly. I am not sure it was necessary but I wanted to re-assure all staff that I would never ~~knowingly put anyone from this~~ Division at risk while performing any investigative job function. I advised all at the beginning that no decisions would be finalized at the meeting and that I wanted input from "the people on the ground".

One investigator/manager could not make the meeting, however he provided some comments and concerns the day prior to the meeting via email.

I read all his concerns out to the meeting and I generally recognized and acknowledged the statements with the caveats outlined in the synopsis below.

The comments and concerns were as follows:

1) We are not as previously discussed set up for, nor are we capable of, investigating such cases.
2) Police of jurisdiction are the agency/authority that should be investigating such cases of loan sharking/money laundering.
3) I have knowledge of individuals frequenting the different venues but more specifically at the River Rock Casino that have strong ties and associations with organized crime.
4) I have been informed and believe these individuals are known to be violent, carry weapons and have in the past accessed certain databases in order to obtain information about individuals such as police officers, other enforcement officers and/or GPEB Investigators.
5) I feel these cases should be investigated by the police of jurisdiction and if possible, we assist in any way they need.
6) Any attempts to investigate these allegations would put our investigators at risk and my opinion is that to do so would be a serious safety hazard.

Synopsis:

That we were not set up for money laundering or loan shark investigations, nor are we capable of investigating such cases. Police of jurisdiction are the agency that should be investigating such cases, individuals associated to these activities have strong ties or association to organized crime. He had specific knowledge that these individuals were violent, carried weapons, (I did not personally have specific knowledge in this instance but my experience is that organized crime is violent and could/do carry weapons). In the past the individuals accessed certain databases in order to obtain information about individuals such as police officers, other enforcement officers and/or GPEB Investigators (I believe that is always a possibility with organized crime). These cases should be investigated by the police of jurisdiction and if possible we assist in any way they need. Attempts to investigate these allegations (of money laundering and loan sharking) would put our investigators at risk and in his opinion to do so would be a serious safety hazard.

Joe and Derek (and others) generally provided any criminal intelligence they were aware of to the group. I will not get into the specific criminal intelligence in this email but I believe that it is fair to say that the intelligence was from multiple sources, related to loan sharks and organized crime as well as the potential for violence. Joe also spoke generally about an internal cash flow report that Audit and Compliance were presently completing. He also quoted the suggested potential solutions that arose out of our lengthy discussion/exercise on AML and ML in B.C Casinos at our annual meeting workshop in November, 2012. Both Joe and Derek confirmed that the volume of suspicious cash into casinos was still increasing.

I was clear that we are not capable of, nor should we be investigating, the criminal offences of Money Laundering and/or Loan Sharking and those investigations are complicated police of jurisdiction matters. However, I suggested that it may be prudent to look at and consider the "integrity of gaming" as it does fall into our mandate. I gave a scenario and asked for input.

Scenario:
We all agreed that organized crime supplies large amounts of cash in small bills in duffle bags to loan sharks (who in fact may be organized crime) who in turn provide the cash to high limit gamblers (who may or may not be wealthy businessmen with or without organized crime connections). I asked the question whether GPEB investigators could intercept the gambler at the cash cage in the casino (while the cash is being counted) and by whatever (I did not discuss logistics at this time) means speak with him and ask two questions: "Where did you get the cash" and if answered "what is it costing you". Should he refuse to answer the subject would not be pushed and we would let the gambler continue on. At no time would we seize the money. Should he provide an answer further probing could be completed. This information alone would certainly not be of use or of value in criminal court nor in administrative court and would be as confidential as possible, although difficult. The admission that the funds came from a loan shark or "money lender" could, from my perspective, be of significant value. I won't comment further in this email on that value.

Following our discussion on a number of matters including the safety of the gambler as a result of being interviewed, to the ramification by organized crime to a GPEB investigator for even attempting to gather information that may in any way disrupt a lucrative business venture (loan sharking, money laundering) I believe that the casino unit and others felt that even interviewing the gambler would/could put our investigators at risk and could be a serious safety hazard. That concern was certainly strongly recognized.

Should anyone have any other suggestions that may include the police please feel free to speak directly with me rather than via further emails.

I continue to analyse this money laundering issue and any overarching ramifications or considerations. I will keep you all advised on any final decisions or potential outcomes.

Quite frankly, I enjoyed the meeting and again thanks for your input and efforts.

Larry

Larry Vander Graaf, Executive Director
Investigations and Regional Operations
Gaming Enforcement
Gaming Policy and Enforcement Branch

-----Original Message-----
From: Vander Graaf, Larry P EMNG:EX
Sent: Wednesday, September 25, 2013 12:22 PM
To: Vander Graaf, Larry P EMNG:EX; Barber, Rob EMNG:EX; Willis, Dave EMNG:EX; Philip, Albert J EMNG:EX; Forshaw, Mark EMNG:EX; Ackles, Ken EMNG:EX; Blommaert, Dennis EMNG:EX; Burrows, Colin EMNG:EX; Meyer, Paul EMNG:EX
Cc: Schalk, Joe EMNG:EX; Dickson, Derek EMNG:EX; Stevenson, Mike EMNG:EX; Chamberlain, Robert D EMNG:EX; Halpenny, Barry EMNG:EX; Giesbrecht, Al EMNG:EX; Werner, Peter H EMNG:EX
Subject: RE: ML in BC Casinos
Importance: High

I want to thank all of you for your time and frank comments this morning. I think we did accomplish something. We will move forward as best we can and I will keep you all informed on any decisions and outcomes.

Thanks again,

Larry

Larry Vander Graaf, Executive Director
Investigations and Regional Operations
Gaming Enforcement
Gaming Policy and Enforcement Branch

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-----Original Message-----
From: Vander Graaf, Larry P EMNG:EX
Sent: Tuesday, September 24, 2013 10:43 AM
To: Barber, Rob EMNG:EX; Willis, Dave EMNG:EX; Philip, Albert J EMNG:EX; Forshaw, Mark EMNG:EX; Ackles, Ken EMNG:EX; Blommaert, Dennis EMNG:EX; Burrows, Colin EMNG:EX; Meyer, Paul EMNG:EX

Cc: Schalk, Joe EMNG:EX; Dickson, Derek EMNG:EX
Subject: ML in BC Casinos

Confidential
Casino Unit LMD (very brief background)
In the past number of months (or years depending how you look at it) this Division has collected data, prepared Reports of Findings and given observations to the Branch and others on suspected money laundering in Casinos in BC. It should be noted that the "Money Laundering Alarm" was sounded many years earlier by this Division (written solutions were outlined in 2008) but were not addressed. As a result of the "Kroeker Report" (2011) and Press coverage on the money Laundering issue the Branch decided to form the AML group to address the horrendous influx of unexplained cash into the Casinos in BC. As you are aware this cash was being brought into and continues to be brought into the Casinos by gamblers in volumes such as, $200,000 in $20 dollar bills. It has been written and reported on by this Division on many occasions that the origins of the majority of this cash is from loan sharks. It has also been reported on that the loan sharks receive the cash from various Organized Crime Groups.
The Branch implemented the AML Strategy in 2011 and the objective was, "The Gaming industry will prevent money laundering in gaming by moving from a cash based industry as quickly as possible and scrutinizing the remaining cash for appropriate action. This shift will respect or enhance our responsible gambling practices and the health of the industry."
The Investigation Division management were open advisors to the AML Group and provided strong written recommendations (not always accepted). We also continued to provide cash volume statistics and analytical data that we prepared from the Section 86 Reports on Suspicious Currency Transactions submitted by Service Providers. A multitude of enhancements have been provided by Branch Policy to attempt to move from a cash based industry, however it is our opinion those initiatives have not reduced the volume of suspicious cash nor the number of Suspicious Currency Transactions. In fact they are increasing.
You are on the ground on this matter and as the Branch enters into the final phase of the AML strategy I would like your input and suggestions, if any, on this issue. I feel this is an important juncture in AML and I am hoping that with even this short notice you can all attend. I will be forwarding a meeting attendance request.

Joe and Derek will provide input to the group at the meeting to ensure that we are all up-to-date on what information this Division possesses on the matter.

I look forward to your open and frank discussion.

Thanks

Larry

Larry Vander Graaf, Executive Director
Investigations and Regional Operations
Gaming Enforcement
Gaming Policy and Enforcement Branch

From: Ackles, Ken GPEB:EX
Sent: Wednesday, January 16, 2019 4:03 PM
To: Blackwell, Evan GPEB:EX
Cc: Skrine, Cary J GPEB:EX
Subject: RE: Question re. JIGIT's Banning/Sanctioning Recommendations

Evan

Bear in mind that this is a GPEB led process of collaboratively working on what we see on a daily basis. We receive all the UFT's reported on 86 to GPEB, from that we see developing patterns of behaviour that suggest linkages to possible money laundering activity. From Dr German's recommendations there has been a concentrated effort to have this process revolve around STR's. STR's are a BCLC product. The STR's are a result of some collaborative efforts on our part after working this intelligence up from our collection of UFT's and bringing what we view as an offender to the attention of BCLC AML unit to have a review of this and let us know if they see it as warranting further action on their part. To date we have provided 6-8 identified patrons that are in some form or another displaying either inappropriate behaviour suggestive of facilitating Money laundering. Of these BCLC AML unit has conducted reviews and have elevated them from no sanctions to Full cash/chip sourcing (1-inifinity$). Once they have been elevated we have now been able over time and continued scrutiny of the incoming 86's been able to identify the same individuals further abusing the Full Sanction escalation and have resulted in at least three full banning from play.

We continue to review the STR's however the number of STR's being produced by BCLC do not align (in our opinion) with the number of reported 86's especially in the refused category. Since the start of the year we are in addition to identifying the UFT's to the GIG on a weekly basis we are creating JIGIT files within the Prime BC system to assist in tracking this on a more in depth manner.

So as you can see it started out predominantly as an informal process, (this was necessary to expel the hostility present from past experiences) and has now developed into a formal process where we are tracking this with individual file creation here at JIGIT. Once in the JIGIT system they may been escalated further dependant on the material available and an assessment by police to investigate further or not.

Since January 01, 2019 we have started 10 files at JIGIT. Of those ten each is in some level of cooperative escalation within the GIG. What this means in the end is that once we scrub out of the 86's a person identified to BCLC through the GIG and sanctions are placed on that Patron we create a file to not only monitor the patron's activity and further investigate through Police Databases etc. but provide further observations back to BCLC for further consideration towards banning.

Hope this helps

Ken

This is EXHIBIT "G" referred to in the affidavit of KENNETH ACKLES affirmed before me in Kelowna, BC this 28, day of October, 2020.

SGT. 48698.

A Commissioner for taking Affidavits in British Columbia

From: Blackwell, Evan GPEB:EX
Sent: Wednesday, January 16, 2019 2:39 PM
To: Ackles, Ken GPEB:EX
Subject: Question re. JIGIT's Banning/Sanctioning Recommendations

Hey Ken,

In one of your previous emails, you discussed the process whereby JIGIT recommends banning/sanctioning players whose behaviour is deemed suspicious from an AML perspective. One of the main takeaways I've gotten from our (and other) conversations on this topic is that JIGIT/GPEB's tolerance for risk regarding money laundering appears to be lower than BCLC's (the 'Green Lettuce' patron (BCLC's top LCT patron) we discussed a while back seems to be a good example of this). In your earlier email, you discuss how, through JIGIT's analysis of S.86(2) reports, JIGIT regularly makes recommendations to BCLC to sanction/ban those patrons, but these recommendations are not always heeded (evidence, in my view of BCLC having a higher tolerance for ML risk than GPEB/JIGIT). Do you have records of:

- The patrons JIGIT has recommended BCLC ban/sanction? The number of times JIGIT has recommended this patron be sanctioned/banned would also be great.
- The number of recommendations JIGIT has made, and;
- How BCLC responded to this recommendation (i.e. with JIGIT's recommended course of action, with a different course of action, no action)

That would be an excellent way for us to understand how BCLC's tolerance.

Also, if you would be able to explain the process through which these banning/sanctioning recommendations are made, that would be helpful. (i.e. Is there a formal process whereby JIGIT submits recommendations each month, or are these recommendations made through more informal channels, such as emails between people with an ongoing working relationship).

Thanks!

Evan

Evan Blackwell, MAIS | Policy Analyst
Strategic Policy and Projects Division
Gaming, Policy and Enforcement Branch
Direct: [redacted] Email: [redacted]

BRITISH COLUMBIA | Ministry of Attorney General

Meeting with C/Supt. HACKETT

2017-01-06

The Problem

Based on intelligence from the police, BCLC and GPEB, illegitimate lenders are using the proceeds of crime to finance casino patrons for gambling at the River Rock Casino and Resort (RRCR).

Background on the Problem

Casino patrons who wish to gamble, but do not have cash readily available commonly utilize the services of illegitimate lenders. Illegitimate lenders loan money to patrons at the casino site or in close proximity to the casino such as in parking lots or nearby restaurants. Upon receiving the cash, the patron "buys-in" at the casino by exchanging the cash for gambling chips.

Intelligence surrounding the sourcing of funds for illegitimate lending is limited. It is believed that illegitimate lenders work in concert with criminals who seek to launder the proceeds of crime. The criminal transfers the proceeds of crime to the illegitimate lender. The illegitimate lender then loans the proceeds of crime money to the casino patron who integrates that cash into legitimate economy via the casino. The terms of the loan are established between the illegitimate lender and the patron. In some cases, the patron's ability to acquire credit for the loan or fulfill the repayment of the loan is facilitated in China. This is consistent with an informal value transfer system where there is no physical transfer of money. This may be indicative of trans-national money laundering. There are intelligence gaps that need further exploration to be fully understood.

Casinos are a cash intensive business. They are required to send large cash transaction reports to FINTRAC when they receive an amount of $10,000 or more in cash in the course of a single transaction (referred to as LCTs). In addition, casinos have to report completed or attempted transactions if there are reasonable grounds to suspect that transactions are related to the commission or attempted commission of a money laundering offence or terrorist activity financing related offence. These reports are referred to as Suspicious Transaction Reports or STRs.

The identification of the proceeds of crime is based on the totality of the circumstances surrounding the cash. This includes, but is not limited to: the packaging, denomination and sum of cash; the behaviour, background, and financial history of the person who was in possession of the cash; the person's explanation of how the cash was acquired and the reason for possessing the cash, as well as the circumstances of the transaction. Not all LCTs are necessarily STRs.

The problem

1. The proceeds of crime is being integrated into the economy via casino patrons at the RRCR;
2. There is limited intelligence and understanding of money laundering and proceeds of crime.

The Objective of the Operational Plan

The primary objective of this operational plan is to target, investigate, prosecute and collect intelligence related to proceeds of crime activity at the RRCR. This operation will focus on suspicious cash transactions which meet threshold for a proceeds of crime investigation.

This is EXHIBIT "H" referred to in the affidavit of KENNETH ACKLES affirmed before me in Kelowna, BC this 28, day of October, 2020.

SG7.48698

A Commissioner for taking Affidavits in British Columbia

Expected Results

The success of the operation will be measured quantitatively and qualitatively using the logic model to measure performance.

The primary expected results are:

1) Investigations, seizures and prosecutions related to proceeds of crime activity at the RRCR;

2) Reduction in suspicious cash activity at the RRCR;

3) Disruption in organized crime's ability to integrate the proceeds of crime into the economy via the RRCR;

4) Collection of intelligence associated to the proceeds of crime and money laundering schemes at the RRCR and in general;

5) Increased public awareness, via media coverage, of enforcement action targeting suspicious currency transactions at the RRCR;

The secondary results are:

1) The collection of intelligence associated to the integrity of gaming operations at RRCR;

2) Enhanced communication between CFSEU, GPEB, BCLC and RRCR;

3) Increased understanding, identification and reporting of suspicious transactions by RRCR.

Public Interest Immunity

Public Interest Immunity

This is EXHIBIT "I" referred to in the affidavit of KENNETH ACKLES affirmed before me in Kelowna, BC this 28, day of October, 2020.

SGT. 48698

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2017/18
Ministry of Finance
GPEB
Quarterly Performance Report
1st Quarter

BRITISH COLUMBIA | Ministry of Finance

Ministry of Finance
2017/18 1st Quarter Report

Ministry Performance Measures & Strategic Projects

In this section, we have identified the performance measures and strategic projects found in the Ministry Service Plan and/or the Ministry Business Plan for which your division is the lead.

What do I do?

We have streamlined reporting this year. Performance measures and strategic projects relevant to your division are already entered into the template provided. Please enter your progress on the measures / projects for this quarter, using the **Status** options outlined below.

For strategic projects, you will no longer have to report on specific deliverables - just the current status of the project as a whole.

- **Status**

  Choose one of the symbols below to indicate the overall status of the performance measure or project. For projects -- although you do not need to report on each deliverable here -- use the status of your deliverables as a guide: if one or more deliverables are not on target or needs to be watched, then the status for the whole project would be below target or watch.

  ☑ - completed
  ▲ - on target (all deliverables are on track to be completed)
  ▼ - below target
  ● - watch
  ■ - deferred

- **Major Milestones / Comments**

  This section is ***optional***. Provide additional information where necessary to support reporting to executive, e.g. major milestones, issues, significant changes in timelines, budget, scope or deliverables.

Ministry of Finance
2017/18 1st Quarter Report

Goal 3: Public confidence in B.C.'s public sector organizations			
Status	**Performance Measure / Strategic Project**	**Lead / Participants**	**Major Milestones / Comments**
	Performance Measures		
●	Gambling in B.C. is delivered with integrity (outcome)	**Associate DMO, GPEB**	Measures under development; to be baselined in 2017/18. GPEB's new gambling Intelligence Unit has provided analytical support to two major ongoing police investigations, both concerning money laundering in Casinos. This work Is paramount to ensuring gambling is delivered with integrity.
	Strategic Projects		
▲	Implement activities in support of, and related to, Phase 3 of Government's Anti-Money Laundering (AML) Strategy	**Associate DMO, GPEB**	A media announcement on June 13th, 2017 that the Joint Illegal Gaming Investigation Team (JIGIT) has made nine arrests after a year-long investigation into AML. The investigation is ongoing, charges anticipated in Fall of 2017.
	Implement commitments made in Plan for Public Health & Gambling	**Associate DMO, GPEB**	

Note: You no longer need to report Lean Where You Work (LWYW) at the Ministry level; however branches are encouraged to report your LWYW projects here: https://lean.gov.bc.ca/SitePages/leanwhereyouwork-submission.aspx

Ministry of Finance
2017/18 1st Quarter Report

Division Performance Measures

This section is ***optional***. It provides divisions with an opportunity to report on selected branch or division level performance measures.

What do I do?

Choose a table and enter your results for this quarter.

Status	Performance Measure	Major Milestones / Comments

☑ Completed ▲ On Target ● Watch ▼ Below Target ■ Deferred

Performance Measure	Target	Results and Comments			
		Q1	Q2	Q3	Q4

2017-09-25

Minister

I have three wishes if it were:

1. Direction to BCLC to provide full data access to Itrak for the purpose of conducting a Cost Base analysis of the work that the Combined Forces Special Enforcement Unit (CFSEU) and more directly the Joint Illegal Gambling Investigation Team (JIGIT) are responsible for. CFSEU has approached BCLC for this purpose through direct contact with BCLC's AML unit by the Strategic Research Office of CFSEU and privacy concerns have blocked the sharing of vital data necessary to conduct this analysis. Only raw data has been requested with the anonymity of Patron respected. Direction from your office would be helpful in getting this valuable tool completed to accurately provide valuable advice to government as well as to policing and BCLC conduct and manage operations.

2. A budget that would allow members of the Compliance division to develop expertise as Subject Matter Experts on behalf of government as the Regulator. I say this as we speak today there is an Association of Certified Anti-Money Laundering Specialists (ACAMS) underway attended by BCLC representatives. ACAMS is one such entity that should be seen to be represented through membership by GPEB Compliance as well as other identified conferences and workshops. In my humble opinion the position that should be taken by the Regulator is one of providing qualified advice to government based on known best practises shared within the gaming industry and regulators locally, nationally and internationally.
   The investigators need to have the ability to seek out and participate in ongoing intelligence based workshops with policing partners in various areas such as Nevada, Washington State as well as Asian based Crime Intelligence workshops JIGIT allows us to increase our foothold into this world of policing by leveraging our Special Provincial Police Status. Similarly, such things as North American Gaming Regulators Association (NAGRA), the Canada Gaming Regulators Association (CAGRA) and the biannual Midwest Gaming Investigators & Regulators Conference are necessary to make face to face contact with and share information and intelligence along with best practices used to enhance and protect the integrity of gaming.

3. Work toward change within the ACT and regulations to allow oversight with the ability to prohibit (in addition to BCLC) for violations of the act not only independently but in support of BCLC and ultimately to support its Service Providers. Ie: Through the use of the formation of a working group such as the Transaction Assessment Team, GPEB would take the lead and prohibit where necessary thereby protecting the client based relationship of BCLC under FOIPPA.

Ken Ackles
Manager of Investigations (JIGIT)

This is EXHIBIT "J" referred to in the affidavit of KENNETH ACKLES affirmed before me in Kelowna, BC this 28, day of October, 2020.

SGT. 48698

A Commissioner for taking Affidavits in British Columbia

From: Ackles, Ken GPEB:EX
Sent: Monday, April 8, 2019 2:50 PM
To: Skrine, Cary J GPEB:EX
Cc: Akin, Richard GPEB:EX
Subject: Background AML 2019-04-08
Attachments: Background AML 2019-04-08.docx

Cary

Hot off the presses.

Ken

This is EXHIBIT "K" referred to in the affidavit of KENNETH ACKLES affirmed before me in Kelowna, BC this 28, day of October, 2020.

SGT. 48698

A Commissioner for taking Affidavits in British Columbia

Background:

In 2014 Section 86(2) reporting by Casino Service Providers (SP's) consisted of Suspicious Currency Transactions (SCT's) prior to the current term identified as Unusual Financial Transactions (UFT's). At that time the number of Suspicious Currency Transactions were consistent at around 4.5 per day or 1647 per annum. Each incident was reported via Sec 86(2) reporting. Each incident then resulted in a file being generated and the appropriate information then committed to a Report of Findings. These reports were entered GOS and for the most part concluded. Some of these individual reports contained information depicting a buy in by a patron in most if not all incidents utilizing $20 bills and more than $50,000.00. Some of these were for amounts up to and sometimes more than $500,000.00 by one Patron in a 24 hrs period. Each of these reports and the minimal investigation required such as obtaining registered owner information relative to a licence plate obtained coupled with the limited viewing of video recordings requested from and obtained from the SP resulted in anywhere from 1 hour to as many as two-three hours of investigator time.

Based on this formula:
20% - intake, assessment and recording for intel – 330 files x 1 hrs = 330 hrs.
60% - minimal follow-up indices check – 988 files x 2 hrs = 1976 hrs.
20%- Minimal plus video review – 330 files x 3 hrs = 990 hrs.
Total hours expended = 3296 hrs.

NB: During this time Suspicious Transaction Reporting (STR's) by BCLC very nearly matched the above SFT # being reported by SP's. In other words, the most if not clearly the majority were deemed to be substantiated incidents.

From an investigator's perspective the indicators of criminal involvement were apparent from the minimal effect of the minimally available scrutiny being afforded these investigations.
This very clearly filled the days of two investigators with little to no other activity and even then, very little outcome based on very preliminary and minimal investigation all taking place well after the incident had occurred. STR's were also reviewed by GPEB investigators during this time and almost always coincided with the narrative of the STR with indicators of suspicious criminal activity.

These incidents were then reviewed by supervisors and formed the basis of reporting by the Executive Director and Senior Director of the day.

The reporting requirements had not changed and the volume up to July for the first 6 months of 2015 was 767 reported SCT's.

In July 2015, GPEB investigators changed the reporting mechanism to that of a Spreadsheet that then can show the cumulative nature of the Suspicious Cash Transactions.
Commencing in July 2015, a different approach to collection and information gathering in the Form of AML monitoring took place within GPEB.

The result has been clearly that of shock as when the now new totals were realized and presented to the New Executive Director concern was again centered on the procedures that were being managed by BCLC under to umbrella of "Conduct and Manage". The matter was presented to the OADM and some communication was had between GPEB ADM, OADM and BCLC.

In the next few months BCLC AML's unit was structured and some preliminary work centered on Source of Wealth and Source of Funds related to their Due Diligence regime. The introduction of SOF was made in the summer of 2015 by BCLC and the large cash transaction that had been prevalent started to subside. Any direct commitment to identifying the source of funds was merely a mechanism to establish a tracking of process aimed as escalating conditions placed on the Patron. After several less than adequate response to the source of funds questionnaire a review was undertaken by BCLC investigators who were then directed to perhaps place a Source of Funds condition on the patron and request that the patron contact BCLC for an interview prior to further acceptance of cash. BCLC placed more than 40 players on conditions prohibiting them from buying in with unsourced cash.

Since 2015, BCLC has placed 522 players on restrictions from using any unsourced cash.

Shortly there after what was appearing was that previous large bulk cash buy ins were replaced by the same patrons moving to the use of their Player Gaming Fund Account (PGF). Most if not all these Patrons had extensive history of buy ins prior to the establishment of any PGF protocols being put in place. All the while BCLC investigators were reporting to FINTRAC the required documents and identified each incident as suspicious in nature, not within the normal financial banking hours, bundling and packaging suspicions and or known or highly suspected introduction of the cash from third party interests in and around the casinos.

> Example: In August of 2015 GPEB monitoring of an individual Patron showed a history on Itrak of over 450 incidents of cash buy-ins. Within these incidents it was noticed that approx. 70 were of a **suspicious nature most of which were the result of only 20-dollar bills being used**. The amounts this individual had gambled over the time of his attendance at BC Casinos is significant. For lack of accurate numbers, it is around 3-4 million.

The key to this example is that of the remaining 380 or so incidents, none of them were reported to GPEB as they fell outside the understanding by the service provider that they may be of a suspicious or **unusual financial incident in and of themselves**. Lack of training in identifying ear markings of POC/ML activities (Indicia).

Starting in June 2015, BCLC's Anti-Money Laundering (AML) unit began interviewing individuals believed to be linked to cash obtained from an organized-crime network, and from June to September 2015, In January 2018, BCLC implemented the first of Peter German's interim recommendations through expanding procedures requiring Service Providers to gather detailed information on the source of player funds. All casino operators must complete and sign a Source of Funds Declaration for all cash and bank draft/certified cheque forms of buy-ins of $10,000 or more, which includes recording detailed information about where the player sourced funds before the player can buy-in. In addition to the interim recommendation, BCLC implemented a requirement for all players to provide Service Providers with an original receipt from a financial institution, as proof of source of funds.

At some point the incident itself moves from isolation to inclusion into the behaviour of the individual and the focus should be on the behaviour. This can only be learned, and a focus of investigation known to investigators there fore we move to current state and look at statistics that form the basis of an

enforcement profile being capable of discerning incidents both inside and outside of the reporting mandate.

BCLC did institute an interview protocol by their investigators, however these were very passive in nature and lacked the ability to drill down.

Although the goal posts have moved as far as Bulk Cash, Large Cash buy-ins to more Financial Instruments being used by High Risk Patrons' (HRP's) within their PGF accounts, thereby removing these large amount buy-ins from GPEB's preview. Presence of investigators on the gaming floor will provide an enforcement lenses on this area of gaming again. This is for the moment unforeseeable as to the impact it will play on numbers of investigations or reported incidents of any nature.

Most individuals (patrons) remain clearly identified within the General Mangers' Directive on reporting incidents to GPEB. The weight has shifted from extensively the HRP to those in and around the Dr. German established threshold of $10,000.00. Having said that, the statistics for 2018 clearly indicate upwards to 1800 or more UFT's. There needs to be a distinction inserted here as this is where over the past several years the goal posts have shifted. In pre-2015 the focus was on bulk cash and the resulting plethora of incidents rarely went beyond this sole entity.

BCLC investigators followed all procedures directed to them by BCLC management by reporting to FINTRAC Suspicious Cash Transactions. There was a questionable process in place that Service Providers determined the suspicious nature of cash presentations that initiated the review and reporting process. It seemed at this time that if there were no 20 dollar bills involved the cash buy in became simply a Large Cash Transaction and did not get reported to GPEB. Large Cash Transactions were limited to minimal narrative description being reported to FINTRAC.

Now in current state 2019 the numbers have not varied greatly from those of 2018 in the early months of 2019. Based on the 1800 UFT's being received these will require the same intake, assessment and assignment as previously managed incidents being reported to GPEB. Where the difference lies is in what we are able and prepared to do with them. From the innocuous chip pass there exists the ability to advance the information in real time from observation (discovery) through to additional information (evidence) that supports a fulsome investigation that can and will produce results. Providing a basic Scenario may be helpful to the readers understanding of what is meant by this. At any rate the incident can develop into several hours dedicated to the simple chap pass. Therefore, the following is not outside the realm of possible numbers associated to these types of file incidents.

1800 Incidents:

20% - intake, assessment and recording for intel – 360 files x 1 hrs = 360 hrs.
80% - full wholesome Investigation 3-??hrs. -1440 files X 3hrs -?? = 4320 -??? for argument 100 hrs. X 25% =360 files or 36,000 hrs.

In addition, the on the floor presence and ongoing education of SP personnel through hands on involvement and training informally and formally will meet the Recommendation #30 of Dr. German.

If we took a average investigation from start to finish involving collection of evidence, interview of two people, interview prep, interview assessment, re-interview = 20 hrs in most of the 80% or 1080 files results in 21, 600 hrs or 11.8 FTE's doing nothing but those investigations. Factor in peak

deployment over peak sites. 16 hrs 5 days a week per site for 3 sites. 2 shifts/day. Day and afternoons minimum of 36.

Ken
2019-04-08

From: Ackles, Ken GPEB:EX
Sent: Monday, January 6, 2020 10:57 AM
To: Lenz, Allison GPEB:EX
Subject: RE: Draft TOR
Attachments: TOR1 _ 2019-12-18 final review.docx

This is EXHIBIT "L" referred to in the affidavit of KENNETH ACKLES affirmed before me in Kelowna, BC this 28, day of October, 2020.

SGT. 48698
A Commissioner for taking Affidavits in British Columbia

Allison Happy New Year!!
Here you go...

Ken

From: Lenz, Allison GPEB:EX
Sent: January 2, 2020 3:48 PM
To: Ackles, Ken GPEB:EX
Subject: Draft TOR

Hi, Ken ☺ Happy 2020!

Do you have a draft of the GIG TOR to share with me? I think it was the one for the GIG.... You were going to share a draft with me to help me with my draft of the one for the AML Risk Management Committee.

Thanks for your help!

Take care,
Allison

Allison Lenz
Senior Policy Analyst ▫ Anti-Money Laundering Project Team
Gaming Policy and Enforcement Branch ▫ Ministry of Attorney General
Phone: [redacted]

GAMING INTELLIGENCE GROUP

Working together to maintain the Integrity of Gaming in the Province of British Columbia.

TERMS OF REFERENCE

Name of group: Gaming Intelligence Group (GIG)

Title: Terms of reference 2019/DEC/18

Group member Organizations:

- Combined Forces Special Enforcement Unit (CFSEU) of British Columbia represented by the Joint Illegal Gaming Investigation Team – (JIGIT)
- British Columbia Lottery Corporation (BCLC) - Anti-money laundering and Investigations Team
- Gaming Policy Enforcement Branch (GPEB) – Enforcement Division
- Gaming Intelligence Unit (GIU)

Purpose:

- The objective of the GIG is to enhance the current anti-money laundering regime at BC casinos by opening lines of communication to more broadly share information surrounding suspicious transactions, high risk patrons and threats of criminality. All stakeholders, BCLC, GPEB, and the police play a critical role in preventing and investigating proceeds of crime/money laundering offences at BC Casinos.

- The BCLC Anti Money Laundering Unit is responsible for implementing and managing anti-money laundering strategies at BC casinos. BCLC AML investigators focus on conducting due diligence in support of their obligations as a reporting entity as defined in the Proceeds of Crime, Money Laundering and Terrorist Financing Act (PCMLTFA). GPEB Enforcement Division has undertaken to focus on strategies and other efforts to protect gaming from criminal activity and organized crime at BC casinos and other illegal gaming. GPEB Enforcement investigators are designated Special Provincial Constables. They have the authority to investigate and enforce provisions of the Criminal Code related to gaming matters or matters which impact the integrity of gaming.

- The police have the primary responsibility for investigating and enforcing laws related to money laundering and the proceeds of crime. Within the police umbrella is the CFSEU. CFSEU has a dedicated gambling enforcement team identified as JIGIT which includes GPEB investigators. This unit has dedicated police investigators with authority to conduct investigations, refer offences to Crown Counsel for prosecution and to ultimately disrupt and dismantle criminal organizations threatening the Gaming Industry

in BC. CFSEU-JIGIT will also contribute to the education of stakeholders on the prevention of money laundering and loan sharking activity at BC casinos.

- Within CFSEU the GIU will focus specifically on the collaborative intelligence process between GPEB and CFSEU-BC and its related stakeholders to produce actionable intelligence products for all levels of law enforcement, the regulator and its stakeholders.

The overarching aim of the group:

- To work collaboratively:
    - To address money laundering relating to gaming through the coordination of intelligence, investigations and enforcement. This collaboration will afford the ability to prioritize and de-conflict investigations maximizing available resources.

These terms of reference (TOR) assigns accountability and sets out expectations and desired outcomes (e.g., (reducing misunderstood conflicts and coordinating resources). The group reports to its respective senior representatives from each organization . (Commanding Officer of CFSEU, the Associate Deputy Minister of GPEB and the Vice President of the Lottery Corporation.

Membership:

- Membership to the group is open to anyone from the four identified agencies that can contribute to discussion and dialogue focusing on information and intelligence to meet the intended goals and objectives to assist in combating money laundering at BC Casinos.

- These are closed meetings to the respective agencies unless prearranged guests are invited by consent such as representatives from other organisations or government.

- It is accepted and understood that certain subjects may carry sensitivities and/or privacy issues restricted to law enforcement and may not be disclosed through this forum with some or all stakeholders. For example, consideration of tabling the need for breakout discussions with the regulator and law enforcement when sensitive matters surface that would not be appropriate to share with other stakeholders due to those sensitivities

Accountability:

- Collaboratively, the group will assess incidents from the preceding week and collectively determine which incidents require either enhanced due diligence on the part of BCLC

under their FINTRAC obligations and/or further analysis by the GIU and/or criminal or regulatory investigation. Enhanced due diligence can consist of follow up investigation that requires access to protected information or databases such as PRIME, CPIC, FINTRAC, CBSA, or inquiries with banks and other casino regulators or through further open source investigation.

- The GIU will be responsible for conducting enhanced indices (PRIME, CPIC) checks, providing actionable intelligence products to all levels of law enforcement and the regulator. In this context they will conduct analysis on transactions or individuals identified by the group and produce intel packages for further investigation by JIGIT, the POJ or the GPEB Enforcement Division. GIU checks will be documented on the CFSEU-PRIME server and all material will be held in a secure environment. Working with BCLC AML Unit investigators will enable critical understanding of the gaming environment to assist in determining relevant incidents are correctly and adequately addressed in a timely manner.

Sharing of Enhanced Investigations Outcomes:

- The results of the GIU's enhanced investigation will be shared with consideration that some sensitive law enforcement information/intelligence may need to be vetted to protect the source or ongoing investigative interests.

- Enhanced due diligence investigations may form the foundation of criminal investigations or intelligence probes.

- Public Safety concerns will be managed and remain as a primary concern and addressed on a case by case basis.

- Information will be shared with BCLC pursuant to established Information Sharing Agreements between GPEB and BCLC through their regulatory framework and the RCMP.

- At the end of investigations shareable information may be conveyed to all stakeholders for their enhanced due diligence processes.

Any and all outcomes will be tracked by documenting them using internal tracking sheets, in PRIME and/or GOS. BCLC will document all information into iTrak.

Review:

This TOR will be reviewed on an annual basis or as necessary.

Working methods:

- Meetings are structured to provide a shared learning environment with open discussion and action plans identified as needed. Collaborative efforts have proven to benefit the groups activity to date and shall be encouraged by all stakeholders to remain in the collaborative arena. Open and effective dialogue with identified dispute resolution mechanisms are a must to the success of this group.

- Sub groups can and have been convened such as Project Athena and the analyst's conferences. These groups are necessary depending on the scope of the working group itself and the targeted material being sought and developed.

Meetings:

Two meeting structures to be employed and subject to change upon the unanimous approval of all participants:

Weekly Teleconference Information Sharing Sessions:

- The implementation of weekly meetings with investigators from CFSEU-JIGIT, GIU, BCLC, GPEB Enforcement and any relevant Sub Groups to share information will be held every Wednesday of the month, assess unusual, suspicious transaction reports, and any related incidents establishing an investigative plan for transactions that require further enhanced investigation, intelligence and due diligence.

- Information to be shared may include: unusual transactions and occurrences on casino properties; the results from due diligence assessments (source of wealth and source of fund interviews, background investigations and gaming profiles) industry trends and intelligence.

- Notwithstanding the structured meeting framework open and on-going communication between investigators is encouraged and supported. Emergent circumstances can and will generate the need for immediate conferencing on issues that are deemed necessary

to develop an action plan necessary in the interests of public safety and the business environment. Best practices on communication will be established in this manner.

Monthly In-person Organizational Meetings

- Once every month an in-person meeting will be held at BCLC head office.
- The chair agency will rotate on a yearly basis as will the person identified taking over from the previous chair.
- The chair is responsible for soliciting agenda items and providing an agenda to participants at least seven days before scheduled meeting.
- The chair is also responsible for the minutes of the meeting and dissemination of the minutes as soon as practicable following the meeting via email.

Ad hoc Meetings

- Ad hoc meetings can be coordinated as required throughout the year to address issues requiring attention or action on an urgent basis.

Sharing of information and resources (including confidential materials) for example:

- Consistent use of information with the collaborative framework must be protected with standard handling protocols utilized.
- Information sharing shall meet FOIPPA/Privacy Act guidelines.
- Where required the necessary judicial authorizations such as production orders or search warrants may be necessary where privacy concerns and or prosecution considerations are concerned.
- Reports prepared for stakeholders on mutually shared information within the GIG Unit should be reviewed by all parties prior to dissemination whenever possible.

Definition of terms

- PRIME – Police Records Information Management Environment

- ITRAK - Case Management System
- CBSA – Canadian Border services Agency
- POJ – Police of Jurisdiction
- GOS – Gaming Online Service

Approved By:	Signature	Date
S/Sgt Joel Hussey NCO i/c JIGIT CFSEU-BC		
Cary Skrine Executive Director GPEB Enforcement Division Gaming Policy Enforcement Branch		
Kevin deBruyckere Director AML & Investigations British Columbia Lottery Corporation		
Sgt Richard Grattan NCO i/c Gaming Intelligence Unit JIGIT – CFSEU-BC		
Insp Stephen Cocks Officer in Charge JIGIT –CFSEU-BC		

Date: 2020-01-16
Start: 1001 hours
End: 1028 hours

GIG Meeting – Conference Call

Meeting Minutes by I/A Kailey SKEMP

Attendance:

Ken ACKLES
Richard AKIN
Bal BAMRA
Kevin DEBRUYCKERE
Kris GADE
Ed HIPSZ
Winnifred LIU
Kailey SKEMP
Brad RUDNICKI
Daryl TOTTENHAM

This is EXHIBIT "M" referred to in the affidavit of KENNETH ACKLES affirmed before me in Kelowna, BC this 28, day of October, 2020.

SGT. 48698
A Commissioner for taking Affidavits in British Columbia

Chaired by: Ken ACKLES

UPDATES

ACKLES

- Introductions to new members tabled until next in-person meeting
- Minutes from last meeting – table until next in-person meeting
- Move Next Chair until next in-person meeting
    - ACKLES will be leaving GPEB in near future
- Other members schedules conflict with today's meeting

AKIN

- New GPEB member starting February 3rd and joining their casino crew
    - Coming from Vancouver
- Waiting for final approval of 2 new members to join

AKIN

- December 14th, 2018 from the Parq
    - Internal theft from employee around $14,000 going to court March 12th/13th
        - Have not been called for witness yet
- AML side - Increase for request on information on files that have been created

HIPSZ

- GRATTAN taking over the Intel side of JIGIT and is no longer split and will be focused on Intel
- ROBINSON may come back depending on other project work
- AML side is more of the GIU side
- Will be flagging those persons of interest to follow up
- Asked what TOTTENHAM and DEBRUYCKERE thought of flagging those persons of interest for future contact by GIU on ITRAC

TOTTENHAM

- Will be a question of who to be in contact with to do an interview
    - Need to clarify the process
- Numbers and address that could be on the system that are no longer valid, better to flag for future issues that could run in

DEBRUYCKERE

- Go offline to discuss the process

ACKLES

- ITRAC Terminal update – January 30th
    - Ready to go at Green Timbers
    - AUDIT section has sent up a process to monitor the query and ACKLES will be the main point for JIGIT
        - GPEB in the process of completing their ITRAC agreement on the enforcement side as is GIU
    - Will have an electronic and hard copy for signature purposes.

- DARYL Training session for the ITRAC query and how the database works
- GPEB would like to include some of their employees for the training???

ACKLES

- TOR - At the stage of getting signatures in the next in-person meeting
    - Will discuss over the next month in order to get that completed

DEBRUYCKERE

- Discussion on the Cooper story
    - Asked for a document that was released yesterday (viewed on the news)
    - Will follow up on their side to see where the document is
        - It was seen on the news as Provincial document that had redacted information

- There could be 2 documents and it is unsure whether there is access for GIG

ACKLES

- Occurred before JIGIT's time at GPEB and the location of the document could be in question

DEBRUYCKERE

- Will get their media team to touch base and get more information of where/what the document
- Talked to Ben yesterday and are going to host a Project Athena work shop (February 6th)

BAMRA

- No new information
- Working on (Brad to speak to) recharge on the e-gaming sector and the grey market

RUDNICKI

- Started the data collection plan and looking at the companies and the names and trying to find out more names
    - Second phase is to look at the company's assets
    - Follow up with Robin JOMHA
    - Information giving about Top-site

ACKLES

- Question to UFT's and bank drafts and Brad was going to share charts with JIGIT and if possible
    - LIU recalled in the last meeting Brad created a chart for [redacted] associates and TC to give GIU those I-2 charts
    - Brad does not recall what charts being discussed

LIU

- 2015 and more recent referenced a relationship I2 chart regarding [redacted]
    - Any I-2 charts for target please send

TOTTENHAM

- Not been busy with UFT's and kept up with them over the season
- One process lined up with Barb Wong and doing the reviews for GCC and currently have a good line of communication currently
- Currently a target ID that had concerns about regarding play and investigator started to put information together and now there is enging concern so target was interviewed and provided good information that could be proven valuable for GIU, JIGIT and CFSEU.
    - Hopefully will have a package shortly and a discussion with Kevin in regard to timeline
    - Target will most likely given a 5 year ban but will wait until end

ACKLES

    - Asked for SID

TOTTENHAM

- Nothing to happen in the next 4-5 days but will send an email to make aware of who the target is
    - Only information being provided currently is from Barb and entries are pretty routine and any intel have been provided to Barb in a timely manner

ACKLES

- Next in person GIG Meeting February 20th
- TOR will be presented at that time too

END: 1028 hours

Reviewed by: Ken Ackles

GIG Meeting Minutes

DATE	March 13 2019
START	10:05 hours
END	12:01 hours
ATTENDEE'S	John KARLOVCEC – BCLC
	Darryl TOTTENHAM – BCLC
	Brad RUDNICKI- BCLC
	Steve BEEKSMA – BCLC
	Bob STEWART – GPEB
	Richard AKIN – GPEB
	Winnie LIU - GPEB
	Bal BAMRA - BCLC
	Ken ACKLES – GPEB/ JIGIT
	Kim SERHENIUK – GPEB/ JIGIT
	Mel PADDON – JIGIT
	Emma LAURO - JIGIT
	Joel HUSSEY – JIGIT
	Cara GILBERT – JIGIT
	Gail SIDHU – JIGIT
	Richard GRATTAN – JIGIT
	Jas BUTTAR – JIGIT
	Matt HOLLAND - JIGIT

TOPIC
Weekly Discussion
DISCUSSION
Introduction by Staff Sergeant Joel HUSSEY of JIGIT PTEP List – Cara Gilbert - Communication and de-confliction between CFSEU and BCLC - 2014 MOU states RCMP can share PTEP targets with BCLC, however, not all targets are to be banned, BCLC and the RCMP need to communicate and de-conflict who should be banned based on a public safety risk - BCLC could send their patron list to the RCMP who would then cross reference with the PTEP list sending back a list of patrons to ban, occurrence once per year - Of Note: PTEP Targets are bi-annually updated Brad Rudnicki - The MOU is currently being updated JFO with Richmond RCMP - Joel Hussey - Active JFO with Richmond RCMP in regards to a black Honda Odyssey February 2019 update

- [redacted] File/ [redacted] provides players with whatever they need, not related to gaming, just a delivery service, no money has been observed being exchanged
- BCLC interviewing members/ players for further information on the Odyssey
- In search of the possible WeChat handle being used to contact the Odyssey driver

[redacted] Update – Joel Hussey & Darryl Tottenham

- Loan shark, has there been any update?
- [redacted] popped up at the Parq Casino, he has been banned and a bulletin has been distributed, JIGIT will be notified should he come back
- Any vehicle associated to him has been flagged and he is not allowed on the property

Project ATHENA – Mel Paddon & Gail Sandhu

- Referencing current trends
- Up to three banks and three drafts in lower denominations, new trend
- Drafts of larger denominations are coming from one single account
- The top four targets provided by Brad Rudnicki will be looked at closer in separate files
- FINTRAC updates in regards to [redacted]
- Reviewing the status of 8 players who are related to the project and players with four or more accounts

BCLC Consent Forms – John Karlovcec

- BCLC update for Financial Institutions, received response from HSBC and TD Bank, nothing back from RBC, not a priority for the banks
- **ACTION ITEM: Discussion surrounding the lack of response to BCLC from the banks at the next Project ATHENA meeting**

BCLC Update – John Karlvocec, Darryl Tottenham & Brad Rudnicki

- Updated list of banned patrons, AML bans, long term, public safety bans
- Not many problems with banned patrons returning, more issues with the cash facilitators and loan sharks
- BCLC to send a list of cash facilitators and loan sharks to the RCMP

ROUNDTABLE DISCUSSION

Matt Holland

- Which banks/ branches are these players obtaining their drafts
- Who the top players are getting their drafts from, tellers, managers etc. any links to an associate assisting these players
- Discussion on how this could work

Kim Serheniuk

- Discuss 3 players passing chips
- Kim to share report with BCLC
- BCLC, unsourced chips are seized, removed and destroyed

Discussion on Churn

- Churn definition, recycled money coming back and forth, players bringing in $300,000 but only playing with $25,000, cashing out and then returning

- Who benefits from churn? Money launderers, cleaning their money, are not in it to profit just want to have their funds sourced out of the casino
- Has to do with credit, interest and commission, 1% of the overall return, players deduction of interest

STR's uploaded to PRIME via CIS BC/ Yukon Territory

- Discuss [redacted]
- STR's should not be uploaded due to privacy concerns and the interviews need to be redacted

Brad Rudnicki

- Top banks in January and February 2019 for providing bank drafts are BMO and TD
- Reviewing player bans pending interview with four or more accounts
- Discuss churn trends and players using this method of play
- Discussion surrounding cash/ chip passing which players are thought to be participating
- Looking into carded play reviewing both databases

Joel Hussey

- Money laundering through slot machine play, how do we target/ enforce this and who is using slots
- BCLC, does not see slots being used to launder money, few table players also play slots, bill stuffing is very difficult

ADMINISTRATIVE

- Meeting Chair will rotate monthly, starting with GPEB
- Next meeting will be set for April 17, 2019 at BCLC

GIG Meeting Minutes

DATE	April 17 2019
START	9:07 hours
END	11:01 hours
ATTENDEE'S	John KARLOVCEC – BCLC
	Darryl TOTTENHAM – BCLC
	Brad RUDNICKI- BCLC
	Steve BEEKSMA – BCLC
	Natasha - BCLC
	Heather SAMPSON - GPEB
	Winnie LIU - GPEB
	Bal BAMRA - BCLC
	Ken ACKLES – GPEB/ JIGIT
	Kim SERHENIUK – GPEB/ JIGIT
	Mel PADDON – JIGIT
	Emma LAURO - JIGIT
	Matt HOLLAND - JIGIT

TOPIC
Weekly Discussion
DISCUSSION
Chaired by: Ken ACKLES (GPEB) RUDNICKI - Data comparison between the top 5 financial institutions, branch data and casinos receiving bank drafts from each institution - Recent AML 5 year bans 1. [redacted] SID 7810 spouse of [redacted] 2. [redacted] SID 19569 relation to "Sam's Concrete" 3. [redacted] SID 12077 relation to "Sam's Concrete" - Link Chart review of proceeds of crime in relation to real estate, not gaming related TOTTENHAM - UFT/ STR Tracking - STR Counts are down compared to the previous 45 month, 13 STR's for March 2019 - UFT at Parq Casino help to decrease the STR count - 50-57 UFT dropped to 40 - Bank Drafts have dropped in number for March after Chinese New Year spike in February, draft values are lower than average coming in at 8,500 - 9,000 CAD - Deloitte Audit update, source of funds queries each establishment is now presenting in the 95+%, BCLC will continue to review/ audit after Deloitte and may call on Deloitte for a future audit ROBINSON

- E-Nationalize Investigation Update, disclosure is with crown counsel, review of file complexity and statistics

GPEB/ BCLC
- Discussion surrounding new processes to assist in preventing money laundering, not just in casinos but in banks and other businesses being exploited

Project ATHENA
- FINTRAC participation, looking to move from a regional project to a national project with participants from both the public and private sector
- Next meeting is April 24, 2019

Money Service Businesses
- Registry/ licensing in British Columbia for MSB's to be created and enforced much like the current structure in Quebec
- BCLC relies on due diligence of financial institutions, does not use MSB's

BCLC
- Looking to ban individuals abusing bank drafts and obtaining copies of said drafts for their records
- I2 Conference is New Orleans for Brad RUDNICKI
- Operational Focus is currently on slot machines
- Steve is breaking down the numbers on slot machines and high risk areas

Training Update from Joel HUSSEY
- RCMP Money Laundering Working Group Conference in Las Vegas, JIGIT attending
- Halifax, Nova Scotia members are presenting to N Division regarding information sharing and investigations

HOLLAND
- Update on activity found from analytical working group, will be looking into 8 individuals to speak to at a later date
- Website from RUDNICKI vanpeople.com that could lead to money laundering, continued analysis with RUDNICKI
- Compile all addresses related to casinos and surrounding areas for grid map, spots possibly missed by surveillance or general duty members
- Any information that has flown under the radar, suspicious activity, determine the top 5 entities

Monthly Report
- LIU to participate in monthly report with HOLLAND and RUDNICKI

STR's
- Being tracked in PRIME via batch uploads which links the entities together even though they may not be associated, JIGIT and GPEB to further look into this

PTEP
- Update from BCLC to check with their legal department

PADDON

- February & March excel from RUDNICKI
- Banks have started to file STR's to FINTRAC
- List of entities to interview
- [redacted] interview completed to prove his banking at Canadian financial institutes, requested bank account information to compare to FINTRAC and gambling reports
- [redacted] Update, buyer for LUX vehicles, real estate ties, associated to professional poker players *Mel to send SID number to BCLC*

GPEB

- Heather made recommendation to have 24/7 GPEB investigators on casino floors, not feasible, move to an on-call mechanism – logistics still being worked out/ protocols to be determined with local police departments
- New Executive Director, new divisions created – GPEB Org Chart update to come
- Intelligence unit being formed, adjustments to UFT Tracking and Investigations will be made
- SERHENIUK to update on current investigation working with BCLC
- LIU contacting new financial integrity unit

- Small spike in credit card fraud, cash advance buy ins from the cage after patrons have been denied at the ATM – means to prevent credit card fraud
- University students are being incorporated into the money laundering process as nominees/ players
- Honda Odyssey update – service is also being provided to students and long term older money laundering suspects

BEEKSMA

- [redacted] Update – facilitation, usual activity between her and other students/ younger patrons, placed on full sanctions, possible 6 month ban post interview

- Winnie to share reviews with JIGIT RE: Service Providers – open source information and interviews in order to assist with money laundering investigations

ADMINISTRATIVE

- In person meetings have been booked in advance by Bal in order to secure a room, future meeting dates to be distributed, next meeting is May 22, 2019 at 10:00 hours
- John KARLOVCEC will be transitioning out, bringing in replacement

GIG Meeting Minutes

DATE	May 22 2019
LOCATION	BCLC Vancouver
START	10:09 hours
END	12:00 hours
ATTENDEE'S	John KARLOVCEC – BCLC
	Darryl TOTTENHAM – BCLC
	Kevin deBRUYCKERE – BCLC
	Brad RUDNICKI- BCLC
	Steve BEEKSMA – BCLC
	Natasha - BCLC
	Bob Stewart - GPEB
	Ken ACKLES – GPEB/ JIGIT
	Kim SERHENIUK – GPEB/ JIGIT
	Joel HUSSEY – JIGIT
	Ben ROBINSON - JIGIT
	Mel PADDON – JIGIT
	Emma LAURO - JIGIT

TOPIC

Weekly Discussion

DISCUSSION

Chaired by: Ken ACKLES (GPEB)

Roundtable discussion regarding GPEB Victoria formalizing the GIG, Terms of Reference document created to meet the GERMAN recommendations:

- Any specific authority to rely upon once the meeting is formalized?
- Review of information sharing, purpose of the GIG and the end goals/ results
- All to agree on the Terms of Reference
- Terms of Reference author requested to attend the next meeting on June 12th

GPEB Updates (Bob STEWART) :

- Hiring and training needs/ policy update discussed
- OPP Casino invest course June 2019
- Looking at AML training options
- Different certifications discussed, ACAMS etc.

JIGIT Update (Ben ROBINSON) :

- Adding association to gaming industry, past/ present gaming worker or spouse when filing STR's; tracking/ analysis process to be developed
- GPEB has a list of active/ inactive employees to cross reference
- Operational Update on Richmond Gaming house file
- Operational Update: [redacted] for keeper of a gaming house and is facing sentencing in June, [redacted]

BCLC Update :

- BCLC interviews are voluntary to source a persons wealth and contain personal information, BCLC will share any relevant information obtained during these interviews with GPEB and Law Enforcement; GPEB wondering what boundaries there are with the interviews being shared
- STR's that are sent to CIS-BC are batch uploaded to PRIME; STR's are investigated by JIGIT to build profiles on persons of interest

Project ATHENA Update (Ben ROBINSON) :

- Looking to broaden focus from just casinos, expanding into real estate, luxury vehicles etc.
- Further analytics and data sharing among stakeholders
- Anna GABRIEL from TD Bank will be investigating any suspicious bank drafts
- Update on [redacted] drafts and information sharing with TD Bank who is completing the work up
- CRA would like to be included on anything $500,000 and up to investigate from a civil standpoint for possible tax evasion
- Money laundering patterns; how is the cash packaged when it comes into the casino, (Darryl TOTTENHAM) all bulk cash is refused unless sourced and subject to a UFT, descriptions are added to the STR

SERHENIUK Update :

- Period review of 20CAD bills being fed into slot machines, limited tracking of slot machines; moving from focusing solely on the 20CAD bills to player/ profile
- UFT tracking and process discussed, relation of UFT to sanctions

RUDNICKI :

- Stats update via power point

ADMINISTRATIVE

- Next meeting will be June 12, 2019 at RCMP E Division HQ

GIG Meeting

DATE	June 19, 2019
LOCATION	BCLC
START	10:08 hours
END	12:00 hours
ATTENDEE's	Representatives from RCMP
	Representatives from BCLC
	Representatives from GPEB

Kevin (BCLC)

- John's last meeting
- Continue with information sharing, not needing as much information from the RCMP

Brad & Darryl (BCLC)

- May 2019 update – Top Financial Institutions
- New TD Bank in Abbotsford and CIBC in Richmond
- Top Banks are TD, BMO and CIBC
- Review of bank draft count in casinos, saw overall drop in April 2019 and smaller draft amounts between 40,000CAD and 50,000CAD
- STR trends are declining and starting to level out

ACTION ITEM: Bob STEWART (GPEB) requests addresses for the top 5 banks for analysis

Roundtable Discussion generated by STR trends declining and small spikes based on clusters:

- General STR's
- UFT's
- Return of Funds cheques
- Reporting on UFT's
- Proactive Sanctions

Brad (BCLC)

- Social Network Analysis for players
- Incidents and people associated in I2
- Identify commonalities in iTrack

ACTION ITEM: quantify the value based on the different incidents for GPEB request by Winnie LIU

ACTION ITEM: face to face meeting to discuss linkages and information share between BCLC and GPEB, request by Bob STEWART

*Action items to be discussed at the next analyst meeting.

Darryl (BCLC)

- [redacted] at parq, came from HSBC
- Sanctions, EFT/ Slow activity
- Only 1 suspicious bank draft from the report, 200,000CAD [redacted] Middle Easter, possible fraud from BMO, an STR was filed
- Scotiabank is investigating this transaction as possible proceeds of crime from Alberta
- [redacted] attended with another person, both players have been banned
- GPEB has related file # 2019-38847

Cary (GPEB)

- Looking for government direction on intelligence and investigative responsibilities of BCLC
- Currently auctioning items based on the GERMAN Report
- Update on the direction the GIG meeting is taking

Richard G (JIGIT)

- Creating GIU (Gaming Intel Unit) consisting of Rick (to oversee), Winnie, Scott, Bob and John
- Brief overview of GIU, still in the early stages

New information sharing agreement between BCLC and RCMP which includes CFSEU:

- Cautious of de-confliction
- Legal review on iTrack

Bob (GPEB)

- GPEB training update
- 2 week Casino Investigations course consisting of gaming experts and AML expert, trained 15 members, will be hosting one more in the fall
- Possible new training facility for GPEB

Richard A(GPEB)

- Intel products for GPEB investigators
- Hired three new investigators

Terms of Reference for GIG:

- wait until fall for government decisions on direction then create document based on all agencies needs and input
- what is the expected output from these meetings

Mel – Project Athena Update

- FINTRAC update
- Example: [redacted] background from FINTRAC disclosure
- Develop under GIU to assist Mel with review

BCLC barring and appeals process for BCLC

- Discuss input from law enforcement sharing information to trigger a ban
- PTEP discussion
- Current BCLC investigation process once a name has been provided
- 575 public safety bans (5 years), 22 have died due to gang lifestyle which aids in justifying the program

Kim (JIGIT/ GPEB)

- Reviewing 86's that are turned in
- 3 flagged files for gaming source of funds, playing with under 10,000CAD, players are denied play in the first place but allowed to play after removing a few bills – allowed to explain the rules to the player allowing the player to adapt to the rules
- BCLC will place cash conditions on buy ins worth 9,900CAD, identified based on cash value of play
- Identification process discussed for players, players can be asked for ID at any point based on LCA, if ID is refused the player is automatically rejected

Winnie (GPEB)

- Buy in for 500,000CAD at Parq Casino June 18, 2019 10:30hours

Ed (JIGIT/ GPEB)

- Continue to work on sanctions

Bal (BCLC)

- Andrea Nichols no longer works for BCLC

ADMINISTRATIVE: Next meeting will be September 18, 2019 at BCLC, the government will NOT have the Terms of Reference completed for fall

Gaming Intelligence Group

Meeting Minutes

2019-10-30

BCLC, GPEB and JIGIT	Kevin deBruyckere
	Daryl Tottenham
	Steve Beeksma
	Brad Rudnicki
	Bal Bamra
	Chris Gade
	Richard Akin
	Cary Skrine
	Rick Grattan
	Winnifred Liu
	Kim Serheniuk

Next meeting: 2019-11-06, 10:00 Teleconference

Winnifred asked if there was an update on the three Japanese card counters. Are they banned From double deck blackjack or will there be other sanctions? Will a bulletin be distributed to all service providers?

Daryl advised that given their activity and amounts involved no further action would take place unless they become active here again.

Winnifred asked if she could be forwarded the list of sanctioned players from 2015- to present.

Kevin advised that they have the list and he has spoken with Cary about the best way to get it to us. He noted that the list does not have names. Patrons are listed by SID# and date of sanction. There are ~620 on the list.

Cary suggested that the best way would be to get compliance to obtain the list as an audit function.

Brad spoke about his work on the original 2015 list and analysis of those that have dropped off our radar.

Rick said he will call Kevin in regards to a loan-sharking initiative that is being developed. He noted two recent VPD files involving people who had borrowed money from loan-sharks then ended up

being threatened or extorted over the loans. The hope is to give people in similar situations an avenue to contact police.

Daryl said BCLC was busy at the ACAMs conference this week. It has been fairly slow other than a patron of note: [redacted] who has been placed on a one month suspension. At the end of the suspension she will have to submit to a BCLC interview then be subject to progressive discipline if she continues with her suspicious activity.

Rick asked if BCLC has spoken with Ontario about the original 47.

Kevin advised that there has been some conversation however Ontario is hesitant about what information they can receive and how. It will be up to Ontario now to request the information.

Richard advised that he has a cheat sheet on the new naming conventions and the rationale behind it. He will share it with Chris.

Richard asked whether BCLC was aware of a breach at the Parq. He had heard that at a Parq management meeting they had discussed eliminating some staff at the dealer supervisor level. A list of potential staff including their income levels was inadvertently left. Someone found it, took a picture and distributed it out to union members. This isn't an integrity of gaming issue and is being investigated internally at the Parq.

Daryl spoke about a complaint from a female whose husband had been gambling with bank drafts from their joint account. She was upset that she hadn't given permission on the account yet the bank drafts went through his PGF account. Daryl spoke with her however has not been able to identify the player. Richard said he may have seen the same complaint come through the GPEB complaint line. He referred her to BCLC. Richard will see if he can look up the complaint for Daryl.

Cary advised that GPEB Enforcement is short 4 positions due to the hiring freeze. He may have been able to get formal support for an application to fill three of the positions. Cary advised that at the GPEB Executive meeting he made the point that GPEB and BCLC are working very well together now. This was seconded by Daryl who said the weekly GIG calls and monthly face to face meetings have helped build that collaborative approach.

10:33 Meeting ended.

KS

2019-10-30

Date: 2019-11-20
Start: 1005 hours
End: 1115 hours

GIG Meeting Minutes

Attending:

Ken ACKLES – GPEB/JIGIT
Richard AKIN – GPEB
Bal BAMRA – BCLC
Steve BEEKSMA – BCLC
Kevin DEBRUYCKERE – BCLC
Kris GADE – BCLC
Sgt. Rick GRATTAN – JIGIT
Ed HIPSZ – GPEB/JIGIT
Winnie LIU – GPEB/JIGIT
Karma MANN – JIGIT
Brad RUDNICKI – BCLC
Mitasha SEOPERSAD – BCLC
Darryl TOTTENHAM – BCLC

Topic: Weekly Discussion
Chaired by: Ken ACKLES

ACKLES
- Updates re: Project Athena meeting at JIBC on November 21, 2019
    - Webcast sign in information
    - S/Sgt. Joel HUSSEY, Sgt. Ben ROBINSON, Mel Paddon are preparing for the meeting
- Sent a draft copy of the terms of reference document to the policy staff in Victoria

GRATTAN
- GIU is going through incidents, building a database of casino patrons of interest
- Filling intelligence gaps
- Four action intelligence reports were forwarded to GPEB for enforcement
    - GIU will be taking on the 004 file
- The other two documents from BCLC were also forwarded to OPP
- Strategic intelligence report is Protected A; limit exposure to the document
    - Kevin will do a review

HIPSZ
- PowerPoint presentation for the enforcement team is next week
- Will give a short presentation for BCLC
- Quarterly reports are for a smaller audience
- OPP request was forwarded in order to see what other jurisdictions where these people/patrons of interest have attended

TOTTENHAM
- Alberta will place a five-year ban on patrons who have a five-year ban in BC without conducting a full investigation
- Would like to know of active targets in Ontario

- Discusses reports from the analyst
- Analyst will be handling all files until a second is hired
- Focus on enhanced due diligence on their players, mostly Hard Rock Casino patrons
- Analyst is looking at what is on file for the patrons re: occupation rather than confirming with the employer
    - This can pose a problem when creating a UFT; incomplete and duplicate UFTs
    - This information has to be provided to FINTRAC
    - Putting together a new drop down for use on the Analytic Review Request to document within a patron's file
    - BAMRA and team will complete a report on the patron. If enough information is available for a UFT, it will be done
    - Patrons are selected by interest

LIU

- OPP responded with questions and would like a clarification on the definitions of several terms including "sanctions" and "conditions"
- Tombstone data will be provided to other law enforcement agencies
    - The other documents from BCLC will not be provided

TOTTENHAM

- Provided definitions and will provide terminology
    - Sanctions and conditions are interchangeable
    - Wording was changed to conditions

GRATTAN

- Public awareness initiative in River Rock Casino
    - Advertisement for patrons to provide information on suspected loan sharks and money laundering
    - Discussing where to place the poster in casinos
    - English and simplified Chinese versions have been drafted
    - Graphics are still in the works

AKIN

- Horse racing investigation is ongoing
    - Discuss security staff and ways to aid them in refusing prohibited patrons' entry
        - Inquire if there is a "wanted" book for prohibited patrons to identify them at the first instance when they attempt to enter the establishment

ACKLES

- ACKLES and GRATTAN are working on a standard operating procedure depending on the severity of the individual

GADE

- Discusses immediate alerts to investigators via phone call/email

AKIN

- Inquiring about immediate alerts to calls for service

- Trying to develop a communication strategy for day/evening/night shifts from the service provider to the investigators
- TOTTENHAM suggests email with a distinguished alert sound on the investigators phones
- DEBRUYCKERE suggest a phone call

RUDNICKI

- Technological issue is not allowing the PowerPoint presentation for today's meeting
- Adverse media
- [redacted] is under FSOC investigation for fraud. There are two civil court records of interest
  1. [redacted] is listed on BC Securities for Investment Fraud in 2017
     - [redacted] is listed in adverse media re: unpaid loans from a Las Vegas casino
     - [redacted] has borrowed funds in a similar fashion previously
  2. [redacted] used a promissory note for a $350 000 loan to [redacted]
     - Court records show fund collections was done at CNS Law Corp; connection to JIN via his previous mortgage
- [redacted]
  - Court records for collecting the funds from [redacted] are registered at [redacted] law corporation
- Cathy was looking at [redacted] loan provided by Paul King JIN to [redacted]
  - [redacted] put home as collateral
  - JIN filed a court document when [redacted] and his spouse were in China
  - Courts were initially in favour of JIN as [redacted] had not repaid the loan
  - Case was dismissed because JIN had a history of forging signatures on land agreements and falsely claiming interest in land to pressure the party he is suing in an attempt to force them to settle

TOTTENHAM

- [redacted]: main concern PPT firearms, namely tasers
  - Pled to a $5000 fine; appeal was allowed and BCLC rescinded
  - Has 16 civil files including for fraud and deceit
  - Has source cash conditions placed on him
  - Cannot open a PGF account without BCLC approval
  - Placed on "watch"
  - Without the firearms charge, there would not be enough to place a five-year ban on him

ACKLES

- Suggests requiring him to identify himself upon entering a casino
- Discuss service providers. It is a privilege, not a right, to enter a casino; and service providers must be cognizant of harassment
- Discuss serving patrons with papers and patron refusing to accept the papers
- Ticket violation and fine regulation
- Gaming Control Act is not recognized by ICBC

TOTTENHAM

- 24 hour ban

ACKLES
- Tickets can be escalated, must find a Crown to support it
    - I.e. neglecting to pay for previous tickets

HIPSZ
- Inquires about [redacted]
- TOTTENHAM: she has not been looked at yet

Administrative

BAMRA
- Next meeting date to be announced

ACKLES
- Discusses frequency of meetings
- Meetings can also be called as required

END: 1115 hrs.

Date: 2019-12-18
Start: 10:11 hours
End: 11:56 hours

GIG AML Meeting: Minutes

Attendance:

Ken ACKLES – GPEB/JIGIT
Richard AKIN – GPEB
Steve BEEKSMA – BCLC
Kris GADE – BCLC
Sgt. Rick GRATTAN
Ed HIPSZ – JIGIT
S/Sgt. Joel HUSSEY – JIGIT
Karma MANN – JIGIT
Cst. Amanda NIEDJALSKI – JIGIT
Mel PADDON – JIGIT
Brad RUDNICKI – BCLC

Meeting led by Ken ACKLES
Minutes taken by Investigative Assistant Karma MANN

Roundtable

RUDNICKI
- New people of interest using more bank drafts

HIPSZ
- Discuss casino patron receiving bank drafts without a receipt
- BEEKSMA: could be using the bank draft to get a new bank draft, or could have the receipt
- HUSSEY: to be discussed at next Project ATHENA meeting
- BEEKSMA: discusses process of receiving a bank draft without a receipt
- HUSSEY: any STR's will quote Project ATHENA as being related to that typology
    - JIGIT will receive from FINTRAC
    - Discuss FINTRAC demarketing people
    - Banks do not share information with other banks, Project ATHENA is attempting to increase information sharing
- ACKLES: discuss preventative measures to assist service providers
- HUSSEY: Project ATHENA in the process of building a governance model

RUDNICKI
- Bank Draft Summary statistics
- Discuss new people using multiple additional banks for transactions
    - 4 more banks: [redacted]
    - 3 more banks: [redacted]
- PADDON inquiring about restrictions and conditions being removed
    - BEEKSMA: people's conditions are rarely removed
        - Conditions can change after the person has been interviewed
    - RUDNICKI: Person could be banned pending interview
- Discussion surrounding compelled interviews
    - ACKLES: Patrons are not compelled during these interviews, they are optional and a business interview between the patron and BCLC

RUDNICKI

- Sum of Bank Drafts/ Certified Cheques
    - The total sum is trending downwards since 2017
    - 2017: $181,364,003.47
    - 2018: $151,867,184.93
    - 2019: $96,021,420.35
- Count of bank draft
    - 2017: 2592
    - 2018: 2955
    - 2019: 2071

- Discusses linkages between RONA closing stores and decline in banks
- Multiple separate variables are all indicating the same trends

ACKLES – cash flow is migrating towards Ontario
RUDNICKI – can analyze a wider data set to show patrons that are/are not on conditions

- Top players, player migration
- Show where/what province they are gambling in

ACKLES inquires about information sharing with Alberta, ALG
BEEKSMA – no info

BEEKSMA - discuss patrons being automatically banned in Alberta based on BC bans

- [redacted] and [redacted]

HIPSZ - putting together a request from GIU re: profiles, will share with AKIN once completed

- Will contact Darryl TOTTENHAM

AKIN – looking for supporting information
HIPSZ – sending photographs as a situational awareness to Ontario and other provinces
BEEKSMA – [redacted] planning on being in BC in the upcoming weeks
ACKLES and BEEKSMA discuss his bank drafts and winnings
BEEKSMA – accompanied by a receipt

- Draft drawn from a TD Bank in Alberta, likely Edmonton

RUDNICKI – 2016-2017 Migration of the 192 players with $100, 000 cash events in 2016 and their activities in 2017

- Discusses their activities
- ACKLES: patrons are not entering casinos with as much cash as they did in 2016

GADE

- Big event in Salmon Arm on Saturday night
    - Explosive device discovered in ladies washroom
    - Suspects: narrowed down to a husband and wife
    - Device was deployed in the parking lot
- Discusses other threats received by BCLC

HIPSZ

- GIU perspective

    - Cannot contact several people
    - Interviews after Christmas
- GRATTAN: interviews to be conducted on Top Ten UFT patrons

HIPSZ

- Less UFT's being reported on
- Less occurrences of AML
- Improving on increasing the quality of reports

HISPZ

- About ten percent of UFT's become STRs

ACKLES – discussion surrounding filling out 86(2) reports in more detail
AKIN – service providers need to be recognizing under $10,000 buy ins
HIPSZ – once a system is in place (early 2020) it will be easier in identifying patrons

- More resources required

AKIN – 3 more investigators have been hired
HISPZ – analytical resources also required

PADDON

- Taken FINTRAC disclosures and selected 18 patrons of interest
- A process has been put in place, January 2020, will begin narrowing the 18 patrons of interest

RUDNICKI inquires about identifying bank drafts of interest
HUSSEY inquires about bank drafts without receipts, third party attempt, creating a UFT
BEEKSMA confirms that that could potentially create a UFT

RUDNICKI – of interest could be pattern of origin of bank draft receipts

GRATTAN

- GIU top ten UFT patrons, intelligence background
- Winnie LIU doing ITRAK analysis
- RCMP analyst Matt Holland is searching other databases Winnie does not have access to
- Will start to put together link charts – will include RUDNICKI in this
- RUDNICKI – will search Open Source such as land titles and add to link charts, supplement this with ITRAK analysis
    - Gaming Analytical Mining Environment
- Discusses this analysis in a criminal investigations point of view
    - Meet with Winnie, Brad, Matt in the new year and discuss what analysis is required
    - Matt doing law enforcement level of analysis
- Connected with Australian Criminal Intelligence Commission,
    - Building something similar to GIU
    - Have one patron of interest: [redacted]
    - Sharing information with Australia
- Spoke with Deputy Minister Doug Scott
    - With Carrie Scrine
    - Sam McCloud
    - Go over Si report for GIU re what the report was
    - SCOTT thought money laundering was subdued and under control
    - GRATTAN says money laundering is active in casinos

- SCOTT had questions on Strategic Intelligence Report
- What enforcement and initiatives are in place

AKIN

- Discuss incident where patrons were playing slots and left a bag of drugs behind
- HIPSZ got name through PRIME, provided names to Gerald LAO, BCLC investigator
- GRATTAN will put together information request

HUSSEY

- FINTRAC Casino Forum hosted by FINTRAC
  - Brought together many banks and representatives from each province
  - RBC wanted clarity on the differences in a verified win vs return of funds
  - TOTTENHAM gave an explanation on the differences
  - RBC wanted to know what the threshold was when you give a cheque for verified win vs return of funds
  - Host BCMLWG with all jurisdictions in BC
    - Discuss whether or not bulk cash has come from the casino or not when members are doing a road side stop and can view cash
- GADE – would not deny any one cash, there is no limit to issue cash
  - It is up to the service provider
  - Can issue a non-verified win cheque if someone does not want to leave the casino with cash, any amount, no base or max limit
  - BEEKSMA – can issue cheque for safety reasons
- AKIN – is there a process where a police officer can contact the casino and verify that they gave the patron cash
- Unanimous answer is no

- PADDON inquires about wrapping of cash when dispersed

- BEEKSMA – elastic bands
  - Typically dispersed in 10K bundles
- HUSSEY – would be good if it was standardized so it can be easily identified
- BEEKSMA and GADE – no receipts for cash for disbursement

- Further discussion surrounding patrons receiving cash from the casinos

- GADE – after 48 hours, cashier records are disposed of for security reasons

11:35 hrs: HUSSEY departs meeting

BEEKSMA

- Daily bank draft report
- Open source report done [redacted] SID 260045 [redacted]
  - In the last 30 days, has done 25-30 K bank drafts, about 7 this month
  - Is an admin clerk at Surrey Pre-Trial
  - One note stood out in open source report
    - One hit on a VPD file, possible ties to Violence, Gangs, Proceeds of Crime

        - VPD 2019-30413
    - GRATTAN says to send a request to GIU for a follow up
        - Will create background intelligence report
    - He is now suspended pending interview with BCLC
    - Would like to figure out substance to VPD file before the interview
    - TD Bank receipt showed over $500,000 deposit into [redacted] account
    - Mostly PGF usage, in and out
    - [redacted] last name is not on any current or cancelled Land Titles
    - Possible inheritance

NIEDJALSKI asks how she can get access to Brad's charts
RUDNICKI says to communicate through email and charts can be shared with SFPT
ACKLES – some charts have already been shared with NIEDJALSKI

GRATTAN – plan something in the new year re: combining intelligence reports

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Administrative

AKIN – number of folders under the new system, Brandy wants an email stating when something as been placed in there
GADE – do not have the resources/capacity to monitor all the time

ACKLES – terms of reference document to be discussed in first meeting in 2020

- Possibly changing the chair of the meeting in 2020
- Person needs to be identified
- ACKLES will chair next meeting

RUDNICKI next in person meeting January 16

End 11:56

Anti-Money Laundering (AML) Vulnerabilities Working Group

Terms of Reference

Purpose

The purpose of the Terms of Reference is to outline the mandate, functions, meeting frequency and processes of the AML Vulnerabilities Working Group ("the working group"), a joint Gaming Policy and Enforcement Branch (GPEB) working group that includes representatives from Strategic Policy and Projects Division (SPPD); the Compliance Division; the Enforcement Division; the Licensing, Registration and Certification Division (LRC); and GPEB representatives from the Joint Illegal Gaming Investigation Team (JIGIT).

Mandate

The mandate of the working group is to consider potential money laundering (ML) vulnerabilities and, when appropriate, to make recommendations to address those vulnerabilities using a variety of available tools (e.g., policy/procedure change, directive from General Manager (GM), coordination with JIGIT/BCLC).

Functions

The functions of the working group will include, but are not limited to:

- Identify and bring forward potential ML vulnerabilities for consideration;
- Exchange necessary information for the analysis of identified vulnerabilities, including how the issue interacts with the existing system and impacts AML operations;
- Assess the risk presented by identified ML vulnerabilities;
- Exchange necessary information for the development of possible solutions and provide analysis to compare proposed solutions for addressing the identified ML vulnerabilities;
- Present identified ML vulnerabilities and proposed solutions to the British Columbia Lottery Corporation (BCLC) through the joint GPEB / BCLC AML Working Group, obtain BCLC response to identified ML vulnerabilities (including any mitigation measures taken), consider BCLC response and whether further risk mitigation is required, and if further action is required review options for a risk-based response;
- When necessary, provide recommendation(s) though briefing notes to appropriate government decision makers (e.g. ADM/GM GPEB, Minister) on how to mitigate risk presented by vulnerability; and

- Capture all potential vulnerabilities, analysis, proposed solutions, BCLC response, and recommendations for further risk mitigations in the Working Group (WG) tracking document *(Internal GPEB Table on Potential Vulnerabilities)*.

Vulnerabilities Identification

Working group members will bring forward vulnerabilities previously identified by their respective division. Any identified vulnerabilities, including any initial analysis, should be sent to SPPD representatives and will be added to the *Internal GPEB Table on Potential Vulnerabilities* for consideration at the analysis sub-group meeting and, following that consideration, by the full working group.

On an ongoing basis, the working group will consider vulnerabilities identified by JIGIT and the Gaming Intelligence Group (GIG) during trend analysis as well as any vulnerabilities identified within divisions during the course of their work.

Meeting Frequency and Process

- The working group will meet bi-weekly, or as required and called by the chair or requested by group members. The full working group will meet every four weeks and the analysis sub-group will meet every four weeks, resulting in a meeting every two weeks.
- Meetings will not be subject to quorum requirements.
- Meetings may be attended in person or by telephone/videoconference.
- Agendas and materials will be provided to working members in advance of meetings (previous day if possible).
- A record of decisions and action items will be maintained and sent to group members for review after each meeting (within one day if possible).

Timelines

As the working group will deal with new and emerging issues as they arise, there is no deadline or specific time limit to the working group.

Chair

The working group will be chaired by the Director, AML Projects, SPPD. The duties of the chair are to:

- Report on the work of the group to ministry executive;
- Inform group members about relevant planning and reporting requirements as they come to the attention of the chair;
- Work with group members to ensure the mandate of the group is fulfilled;
- Review and approve agendas and meeting records; and
- Schedule the working group meetings and ensure working group members receive meeting materials.

While all decision and recommendation documents will proceed through the established approval process, such documents should be reviewed by the chair to ensure the working group's perspective is accurately reflected.

Secretariat

The working group will be supported by the Sr. Policy and Program Analyst, AML Projects, SPPD. The duties of the Secretariat are to:

- Develop agendas for working group meetings;
- Record meeting notes, including decision and action items;
- Organize meetings at the direction of the Chair;
- Distribute meeting materials to working group members prior to meetings;
- Develop and facilitate processes that support the duties of the Working Group;
- Receive identified vulnerabilities and populate *the Internal GPEB Table on Potential Vulnerabilities;*
- Coordinate and record information from working group members for distribution and discussion with the working group; and
- Assist, as required, with analysis of vulnerabilities and development of decision documents.

Membership

Membership of the working group will consist of representatives from SPPD), Compliance Division, Enforcement Division, LRC, GPEB representatives from JIGIT, and the office of the Assistant Deputy Minister (ADM). Additional representatives may be requested to attend meeting on an ad hoc basis when necessary to meet the working group's mandate.

Full Working Group

Jeff Henderson	A/Director, SPPD – *Chair*	Required
Jillian Hazel	Executive Director, SPPD	Optional
Allison Lenz	Sr. Policy Analyst, SPPD – *Secretariat*	Required
Anna Fitzgerald	Executive Director, Compliance Division	Required
Robert Stewart	Senior Regional Director, Compliance Division	Required
Ken Ackles	Manager of Investigations (JIGIT), Compliance Division	Required
Timothy Storms	Manager, Audit, Compliance	Required
Douglas Mayer	Manager, Audit, Compliance	Required
Jamie Lewis	Executive Coordinator, Assistant Deputy Minister's Office	Optional
Cary Skrine	Executive Director Enforcement Division	Required
Jim Fiddler	Gaming Investigator, Enforcement Division	Required
Robin Jomha	Director, Corporate Registration	Required
Parminder Basi	Gambling Auditor, Compliance	Required
Sam Macleod	Assistant Deputy Minister	Optional

Analysis Sub-Working Group

Jeff Henderson	A/Director, SPPD – *Chair*	Required
Allison Lenz	Sr. Policy Analyst, SPPD – *Secretariat*	Required
Ken Ackles	Manager of Investigations (JIGIT), Compliance Division	Required
Timothy Storms	Manager, Audit, Compliance	Required
Douglas Mayer	Manager, Audit, Compliance	Required
Jim Fiddler	Gaming Investigator, Enforcement Division	Required
Parminder Basi	Gambling Auditor, Compliance	Required

Appendix A: Acronym Glossary

Acronym	Meaning
ADM	Assistant Deputy Minister
AML	Anti-Money Laundering
BCLC	British Columbia Lottery Corporation
GIG	Gaming Investigation Group
GM	General Manager
GPEB	Gaming Policy and Enforcement Branch
JIGIT	Joint Illegal Gaming Investigation Team
LRC	Licensing, Registration, and Certification
ML	Money Laundering
SPPD	Strategic Policy and Projects Division
WG	Working Group

AML Vulnerabilities Working Group

Internal GPEB Table: Potential AML Vulnerabilities

Purpose

The purpose of this table is to establish a working document for the AML Vulnerabilities Working Group ("the working group") to use in tracking the status of identified issues. This table will be discussed at each working group meeting to review progress and determine next steps.

Objectives

This table is intended to achieve three main objectives:

1. *Information Sharing among Divisions:* This table is a tool which will support the efforts of the working group, as per their Terms of Reference. This tool will help formalize the process of facilitating information sharing.
2. *Determining Risk:* This table is one part of the overarching vulnerability analysis process; it will be used to record identified vulnerabilities in order to record them for review and discussion by the working group.
3. *Informing Policy Responses*: Given the recent and forthcoming changes in our *Act*, GPEB will have greater ability to use policy to address AML issues. As a result, it is important to have open communication between GPEB divisions so that policy tools can be used to address ML vulnerabilities where applicable.

Instructions

- All divisions are encouraged to contact the working group Secretariat to have vulnerabilities added to the table below. Any ideas on potential solutions or identification of existing safeguards against those vulnerabilities that have not been noted by others are welcome.
- The table will be circulated regularly to allow each division to review prior to discussion at the working group. If your division does not have any additions or comments, simply respond accordingly.
- Please ensure your division compiles their comments before sending them to the Secretariat; this will help to avoid duplication and confusion.
- This table will be reviewed at each meeting of the working group.

This is EXHIBIT "O" referred to in the affidavit of KENNETH ACKLES affirmed before me in Kelowna, BC this 28 day of October, 2020.

SGT. 48698

A Commissioner for taking Affidavits in British Columbia

Internal GPEB Table: Potential AML Vulnerabilities

Issue (Identified by)	**Status**[1]	**Description of Potential Vulnerability**	**Existing Preventative Policies & Safeguards**[2]	**Required Analysis (how do we determine the risk presented by the potential vulnerability)**	**Risk Assessment**	**Lead (individual / division)**	**Potential Solutions**
Under LCT Threshold							
1. **Unsourced cash under $10,000 (aka Vancouver Model Under 10K)**	Identification complete. Requested data from BCLC (batch 2/2). Analysis underway for batch 1.	• Potential Vulnerability: If someone presents with under $10,000 there is no SOFD requirement. Unsourced cash under $10,000. • Individual can buy-in for under $10,000 and leave with convenience cheque.	• Convenience cheques are marked "*Verified Game Winnings*", or "*Return of Funds – Not Gaming Winnings*" to identify winnings from non-winnings. However, banks are unlikely to consider the markings on the cheque when processing, limiting their value from an AML perspective. • BCLC Standards Article 1-1.3, s. 3.1 provides	• Some analysis has already been done: based on information collected from s. 86 reports, investigative analysis, gathered evidence, and police investigations – there is support for the theory that the Vancouver Model is continuing under $10K. • Available Data: Data is available from s. 86 reports, UFTS, STRS, ITRAK, previously gathered evidence, and police investigations. • Required Data: Ask BCLC the number of cash buy-ins under	• It is difficult to identify when this vulnerability is being exploited. Casinos try to track patrons' buy-ins within the casino and they try to track patrons when the go to different casinos; however, ITRAK does not have real time notification to allow information sharing between	SPPD (Jeff Henderson and Allison Lenz)	• Require ID for cash buy-ins over a certain amount and potentially require all buy-ins at the cash cage so that one dedicated area is responsible for keeping track of the total buy-in per individual (e.g., under 3K buy-in without SOFD and/or all buy-ins over 3K allowed only at cash cage). • Ensure system flags payouts in real time (however, this may not be useful

[1] Status examples: awaiting WG review, assigned for analysis, awaiting feedback from [name], in consultation with BCLC, recommendations drafted, in policy development, policy developed, recommendation implemented, etc.

[2] Cite BCLC standard (including section, etc.) whenever possible.

			criteria that service providers must consider when deciding whether to create a UFT; the list is informed by FINTRAC's guidelines, but may require additions to address the under 10K vulnerability.	$10K and the amounts bought in and whether there has been an upswing in-buy ins under $10K following the SOFD requirement. To complete the analysis, tablet reporting from each table buy in, though not 100% accurate, may be required as this information would help inform an understanding of what is not being reported as an UFT. To date, BCLC has been unable to provide data on the number of cash-but ins in casinos.	service providers. • UFTs are still generated, and are sent to JIGIT and BCLC, but these are not acted on. • Does not trigger creation of an STR because no more than 10K is spent in a 24 hour period. • In some cases, cash over $10K is brought but – upon being advised of the $10K threshold, the total is not used to buy in so that the individual does not have to provide proof of the source of their funds. This may not be recorded, meaning the actual number of 10K and over bundles coming into casinos is		in situations where high-rollers are gambling for fun but playing with proceeds of crime, like the Vancouver model). Note: this would be particularly useful if GPEB had a 24/7 investigative presence. • Educate service provider staff on suspicious indicators (e.g., bundling, orientation of bills, packaging) which otherwise may not be identified as suspicious. • Request BCLC update their standards (Article 1-1.3, s. 3.1) to include more criteria to consider when deciding whether a UFT should be created.

					unknown (i.e., we do not know the actual amount that would be gambled if the SOFD was not required).		
Paying Out Via Cheque Service providers can issue one convenience cheques per week, per patron (non-PGF account holders), up to $10,000. Must include "Return of funds – Not Game Winnings" verbiage on cheque. (See BCLC Standards Article 6-1.19 - 3).							
2. Multiple max disbursements	•	• Potential vulnerability: Compounding vulnerability #1 above through cash buy-ins under $10,000 and convenience cheques from multiple casinos during a single week, to bypass weekly limit of a single cheque.	• Policy states: limited to below $10,000 convenience cheque disbursement per week. • Convenience cheques are marked " "*Return of Funds – Not Gaming Winnings*" as per #1. •	• Are convenience cheques tracked to ensure patron is not receiving cheques from multiple casinos in a single week? • If tracked, is reviewed after the fact or in real time (e.g. could a patron receive 5 cheques in a single day before transactions are flagged)?	•		•
Potential for Layering (aka convenience cheques) (E. Blackwell)	Identification complete. Currently analyzing data and drafting write-up. Draft to Tim by mid-August.	• Layering by cashing out and receiving casino cheques. Allows patron to alter medium of exchange, facilitates integration into the legal financial system (deposit into bank); could reduce	• To be confirmed: is BCLC still monitoring convenience cheque issuance to ensure compliance to weekly/$ value limits?	• BCLC would the primary source of information on convenience cheques. While JIGIT is aware of the vulnerability we do not know if they have confirmed evidence of these types of	• Layering by cashing out and receiving casino cheques. Allows patron to alter medium of exchange, facilitates integration into	Audit (Doug Mayer and Tim Storms)	• Continued work with banks through Project Athena to ensure banks work to differentiate winnings and non-winnings cheques.

		suspicion (cheques are less suspicious than large volumes of cash).	• Source of Funds process should ensure that cash being used for buy-ins (eventually disbursed through convenience cheque) is appropriately sourced – only applicable if buy-in exceeds $10K. • See policy 6-1.19.1.6.3 below which instructs service providers to refuse to issue cheques if only minimum play attempted – it should be noted that there is no standards definition of reasonable play and it is left to the discretion of the service provider who may have a bias in the player's favour.	cheques being used in the past for real or attempted money laundering – however this could be a potential future source of information. The delimiting of convenience cheques increases the risk of these cheques being a potential instrument for ML or Proceeds of Crime – how much the risk would increase is not clear but again there are mitigating controls in place such as the SOFD process if it is working as intended. The other area of risk that would need to be addressed is the lack of a full understanding in the financial community as to what these cheques represent. • • GPEB Audit will be conduct an analysis project in early 2019/20 to review the convenience	the legal financial system (deposit into bank); could reduce suspicion (cheques are less suspicious than large volumes of cash). These cheques are stamped "not from gaming winnings" but indications from the banking industry are that this has limited value from an AML perspective. Patrons could attend multiple casinos to obtain cheques exceeding the maximum value (this may be caught by BCLC after the fact). •		• Alter markings to make more prominent. • Alter convenience cheque disbursement policy. • Develop tracking mechanism for convenience cheques to monitor patrons for structuring behaviour across casinos.

				cheque data for trends and to identify concerns and patterns. This information will be provided to JIGIT as part of the AML WG for review and input.			
Potential for Smurfing (E. Blackwell)	•	• Smurfing by buying in just under $10k at multiple casinos, playing a small amount, cashing out for convenience cheque. Difficult to track patron across multiple casinos.	• Convenience cheques are marked "*Verified Game Winnings*", or "*Return of Funds – Not Gaming Winnings*" to identify winnings from non-winnings. Banks are unlikely to consider the markings on the cheque when accepting them, limiting their value from an AML perspective. Banks are also unlikely to verify source of cheques or test patron backstory (i.e. Is the cheque from winnings or a cash-out disbursement?).	•	•		• Continued work with banks through Project Athena to ensure banks work to differentiate winnings and non-winnings cheques. • Alter markings to make more prominent. • Alter convenience cheque disbursement policy. • Develop tracking mechanism for convenience cheques to monitor patrons for structuring behaviour across casinos.

			• Markings only likely to be useful in retroactive investigation, not initial detection.				
Denomination Payout							
Colouring Up - Slots	•	• Presenting with $20s and cash out in higher denominations • Monitored by surveillance but not required interactions.	• Various technical safeguards on slot machines.	•	•		•
Colouring Up – Table Games	•	• Presenting with $20s and cash out in higher denominations	•	• Does BCLC ensure the individual gets their money back in the same denomination they used to buy in? •	•		•
Source of Funds Declaration (SOFD) Materials							
Falsified Receipts (aka SOFD Receipt Process) (E. Blackwell)	Identification complete. Data analysis underway.	• Presenting false receipt to legitimize buy in - counterfeit, reproduced and used more than once, one receipt used for multiple buy ins by (potentially) multiple people at multiple locations. • No back-end review of SOFD materials	• Receipts are collected by the service provider (as per BCLC Standards A 1-1.4 s. 3.2.1. so that they cannot be reused. Receipts must be from the past 24 hours so receipts could not be reused day after day.	• Materials are saved, but is anyone reviewing them? GPEB does not believe the SOFD receipts are currently undergoing review to determine legitimacy (i.e. that the information provided is accurate). • How do you prove a receipt has been falsified?	• Buying-in with proceeds of crime as the SOFD should ensure that all money comes from a legitimate source. The receipt must include the patron's name, financial institution name	SPPD (Jeff Henderson and Allison Lenz)	• Receipts could be reviewed in real time by service providers when they are input into the system, allowing service providers to catch duplicate receipts and prevent unsourced funds from entering the casino.

		to verify legitimacy of receipts • For example, Informal Value Transfer Systems or criminal organizations could provide 'junket' gamblers with falsified SOFD materials, allowing them to circumvent SOFD requirements and run a 'Vancouver Model'-style operation. This may allow the vulnerabilities identified above to be exploited on a broad scale.		• Required Data: Whether anyone is reviewing the receipts to identify suspicious activity. The number of receipts collected and the storage/review policy for these. The number of SOFDs (with and without receipts).	and location, and bank account information (see BCLC Standards(A 1-1.3 s. 2.1). However, there are multiple potential vulnerabilities: • An individual could counterfeit their own receipt; • A single receipt could be used for multiple transactions or by multiple people at multiple locations – especially if policy is not followed and the receipt is not kept; • Individual could use a receipt discarded by someone else by the ATM. • If no account number or patron		• Receipts could be reviewed after the fact to verify whether they are real, legitimate receipts for the money provided. • Receipts could be reviewed to determine whether the same receipt is used multiple times or by multiple people. • Have service provider employees enter patron and receipt information into a system that will analyse the data and flag duplicates or other suspicious activity. • Do not let patrons / service provider staff to hand write requirement information on receipts.

					information is included on the receipt, patrons are permitted to write in the information, meaning that receipts do not necessarily prove the individual is not gambling with funds provided by a third party (BCLC Standards A 1-1.3 s. 2.1 specifies that patrons information must be provided by the patron and recorded on the receipt and SOFD, but does not specify if it must come that way or if it can be completed by the patron at the time of buy-in).		
	•	•	•	•	•		•

Suspicious Withdrawal Receipts (E. Blackwell)	•	• Withdrawal receipts can be easily and cheaply copied or falsified to circumvent existing SOFD policies (e.g. patron uses false receipt in SOFD, buys in with illicit cash).	•	•	•		• Require patrons to provide receipts with printed financial information and additional safeguards to prevent falsification (e.g. requiring receipts to be stamped by the remitting bank).
Falsified SOFD Materials (E. Blackwell.	•	•	•	•	•		• Require patrons to provide receipts with printed financial information and additional safeguards to prevent falsification (e.g. requiring receipts to be stamped by the remitting bank).
Handwritten SOFD Information (E. Blackwell)	•	• Current SOFD policies allow patrons to write their name, financial institution, and bank account number on the back of receipt. Without additional verification (i.e. confirming with a	•	• When can handwritten information be provided? •	•		• Alterations to SOFD receipt requirements to prohibit hand-written financial information on receipt.

		bank), we cannot determine veracity of information.					
	•	• Buy-in for under $8,000 and then buy-in for another $4,000 – only have to substantiate the latter withdrawal.	•	• Does this allow for legitimization of the initial (larger) buy in amount? Would it make the individual less suspicious to casino staff?	•		•
Source of Wealth *Conducted when individual opens a PGF account or when establishing a business relationship or a certain buy in amount.*							
No formalized GPEB/JIGIT SOW review & PGF Accounts (E. Blackwell)	Identification nearly complete. Data analysis underway. Summary write-up draft to Tim by end of July.	• No formalized review of patrons' SOW by JIGIT/GPEB. Without review, JIGIT/GPEB misses potential mechanism of identifying money launderers. As members of the Regulator, JIGIT/Investigators may apply stricter lens to SOW analysis than BCLC. • Review by someone without conflict of interest.	• BCLC's AML Team conducts open-source KYP research. • JIGIT and Investigators review SOW on occasion. Have pushed for bans/restrictions on patrons believed to be laundering money. •	• When does BCLC conduct a KYP/C review of someone? And is the thing that triggers the review sensitive enough (i.e., are they doing enough)? • What is the risk tolerance level/criteria used to determine if SOW aligns with the amount they are gambling.	•	Enforcement (Ken Ackles)	• JIGIT and/or GPEB investigators review SOW information, identify players whose level of play is disproportionate to their occupation/SOW (e.g. students gambling with $500,000). • GPEB believes that a lower risk tolerance may be required when evaluating SOW given the potential for SOW analysis to identify high risk patrons.

Only Access to Open Source Information (E. Blackwell)	Identification nearly complete. Audit needed before continuing with analysis has been delayed to Q2 or Q3.	• Know-Your-Patron (KYP) research by BCLC's AML Team only done using open source data, lack access to criminal databases. Research hindered by difficulties researching patrons with foreign sources of wealth (e.g. language barriers). • While BCLC conducts some SOW analysis during their KYP procedures, they may miss valuable information contained in police databases.	• JIGIT and Investigators review SOW on occasion. Have pushed for bans/restrictions on patrons believed to be laundering money. •	• What does BCLC do? What do they contract out for?	•	Enforcement (Ken Ackles)	• JIGIT and/or GPEB investigators review SOW information, identify players whose level of play is disproportionate to their occupation/SOW (e.g. students gambling with $500,000). • GPEB believes that a lower risk tolerance may be required when evaluating SOW given the potential for SOW analysis to identify high risk patrons.
PGF Accounts							
	Combine with "No formalized GPEB/JIGIT SOW review"	• Once PGF account is established, less scrutiny? PGF accounts allow for the legitimizing of funds (less suspicion around account activity) • No review to ensure patron continues to gamble at level they were assessed at	•	• What exactly do they review? And do they leave notes on your account to say what your estimated max threshold should be? • Can you buy in with cash and have the chips/disbursement deposited into your PGF account? And get a delimited	•		•

		and does not begin playing with suspiciously large amounts • Bank drafts allow anonymous bank drafts and only PGF account holders can use bank drafts.		convenience cheque? •			
Service Provider Training							
	•	• Focus on where no reporting is currently going on (bank draft, other financial instruments). • Service provider does not identify transaction as suspicious – how do we know that this isn't happening? • Are service providers adequately assessing patrons based on the criteria for suspicion in BCLC's standards? How does BCLC verify compliance? • Coupled with constantly changing policies. – the standards document is not updated in	•	• What does BCLC do to test whether UFTs are being submitted when they should be? • Is the risk tolerance for patrons playing with less than $10,000 too high.	•		•

		real time and some employees may be viewing old information.					
No Post-Incident Review	Identification nearly complete. Analysis on chip passing underway.	• Service providers do not conduct lessons-learned exercises after incidents. • Without a post-incident review, service providers will not learn from past mistakes and this will hamper the ability to improve practices in the future.	•	• What do service providers do following an incident? • What types of incidents are we concerned about? • If post-incident reviews are conducted, would lessons learned be shared with other service providers to proactively improve their processes? • Required Data: Some, data is available from collected 86 reports but requires a fuller analysis of identified incidents. Current incident analysis lacks identity of bulk cash identifiers being disregarded by front end staff. (gap) •	• 1) Casinos establish a practice of reviewing incidents for lessons learned and updating policies based on their real-world experience. 2) Casinos communicate with one another (either ad hoc as incidents take place or at a regular meeting) to share lessons learned so vulnerabilities addressed in one location are not exploited elsewhere OR Casinos report their findings and solutions to BCLC who then shares the new best practices	Enforcement (Ken Ackles)	•

					with other casinos in BC.		

Prepared By: Ken Ackles/Jim Fiddler, Enforcement
Date Last Modified: [YY.MM.DD]

AML Vulnerabilities Working Group

Vulnerability Identification Template

Instructions: The green text provides direction on completing the sections. Remove the green text and populate with the appropriate information. If certain questions cannot be answered, leave them in green for the working group to assist with completing.

General

1. Lead Contact: Who is the lead contact for this vulnerability? Ken Ackles/Jim fiddler
2. Analysis: What analysis has been done on this issue to date? Unknown, mostly anecdotal. Some information based on enforcement division interviews (i.e. Post Registration investigation).
3. Active or theoretical issue: This is potentially an active issue without empirical data to substantiate currently. There is a lack of process identifying what if any feedback on AML issues are making their way back to front end staff on issues of concern. Is this an active or theoretical issue? If there are examples of it occurring (i.e., we don't necessarily know it is being exploited to launder proceeds of crime, but we know that people are using this potentially weak process, e.g. handwriting on account numbers or names on receipts to substantiate source of funds as part of SOFDs), it is an active issue. If there are no examples, but it represents a gap that could potentially be exploited (i.e., we know the process and it sounds problematic, but we don't fully understand whether the potential vulnerability might be exploited), it is a theoretical issue. This will help with prioritizing the order in which vulnerabilities are addressed.

Vulnerability

1. Description: What is the vulnerability? Use a few words to briefly describe it. Lack of support for front end service provider personnel being provided by service provider management, especially concerning post incident feedback on lessons learned and information regarding regulatory and Criminal Code information on PCMLTFA. Under 10K threshold creating acceptance by threshold not based on identifiers of POCMLTFA indicators.
2. Category of Potential Vulnerability: Does the issue fit under a category currently in the *Internal GPEB Table: Potential AML Vulnerabilities* (e.g., PGF Accounts, Source of Wealth)? If not, what category should be created for it? Source of Funds Identification.
3. Why a Potential Vulnerability: Why is this a vulnerability? How does this work in relation to the existing system? Lack of accountability on Service Provider/BCLC (repeating the same steps over and over expecting a different outcome????? – definition of insanity)
4. Frequency: How frequently does it occur? Is there any data on the vulnerability? Currently being identified daily on 86 reporting. Bulk cash still being accepted, bundled in packets within bundles with elastic bands, misoriented bill denominations etc.

Data

1. Available Data: What data is available on this vulnerability? Where can it be found? 86 reports, information records on GOS. Audit??

Prepared By: Ken Ackles/Jim Fiddler, Enforcement
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2. Required Data: What data is required for the analysis and is there a gap between this and what is available? Some, data is available from collected 86 reports but requires a fuller analysis of identified incidents. Current incident analysis lacks identity of bulk cash identifiers being disregarded by front end staff. (gap)
3. Potential Data Sources: If data on this vulnerability is not readily available, is there a way to obtain it (e.g., ask BCLC)? Need current bulk cash under 10K stats, collect video on identified incidents to highlight.

Existing Preventative Polices and Safeguards

1. Existing Safeguards: Are there any safeguards in place to mitigate the issue? If applicable, why are the safeguards insufficient?
2. Existing Policies: Are there existing policies to address the issue? If applicable, does the policy need to be modified to better address the issue?

Future work

1. Information Sources: Are there any divisions or stakeholders who may have additional information/data on the vulnerability and should be consulted? (e.g., JIGIT, BCLC, Audit, Enforcement)
2. Potential Solutions: Are there any potential solutions already identified? If so, how would those solutions work? Initial ideas are good, they can be fleshed out by the working group later on.

Prepared By: Ken Ackles, Enforcement
Date Last Modified: 19.05.16

AML Vulnerabilities Working Group

~~PGF Source of~~ Wealth and Pre-Know Your Customer (KYC)

General

1. Lead Contact: Ken Ackles
2. Analysis: Some limited analysis has been conducted to date. The PGF vulnerability has been suggested based on BCLC supplied information, some of which is anecdotal. The KYC vulnerability has some past reports, such as GPEB/MNP/Malysh Report together with the Concept in Casinos Discussion Paper dated July, 2015. There is some evidence-based KYC information relative to Business Relationship with Service Provider.
3. Active or theoretical issue: Active. Though the extent of the problem is unsubstantiated, some evidence indicates that this vulnerability is currently being exploited (e.g., SOW information is unknown as to how decision on wealth is made and what documentation or confirmation of information has been made – **public interest immunity**

Vulnerability

1. Description: Unverified information (often verbal) is provide as proof of source of funds and that information is not reviewed until after the patron has already used the money to gamble. The problem is threefold: the information gathered may not be accurate, verification is not timely, and there is no meaningful way to follow-up after the fact. In regards to inaccurate information:
    - Often documentation ~~is not provided, except a passport for~~ identification. Further, verbal information provided in a foreign language may be misinterpreted or recorded in a way that does not allow for verification.

    In regards to timely verification:

    - Information is not verified in real time, meaning that every new patron who is subject to completing a source of wealth declaration or the know your customer process, is allowed to play with funds that are not vetted.

    In regards to follow-up after the fact:

    - Translation from a foreign language to English presents several problems, including mis-translation. Information may have been truthfully and accurately provided but inaccurately recorded, leading to an inability to verify the information and legitimize the transaction (for example, translation of Mandarin differs depending on the dialect). In this case, the information provided, which will be used to verify the source of wealth, etc., may make the verification impossible because it has been inaccurately recorded.
    - When a check is completed, inability to verify the information is considered a positive result – the only time action would be taken is if adverse findings can be confirmed. In other words, an absence of information (i.e., the company provided as the source of wealth may not exist) a patron is allowed to continue their business relationship with BCLC.

Prepared By: Ken Ackles, Enforcement
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2. Category of Potential Vulnerability: Primary vulnerability is related to KYC and Customer Identification process.
3. Why a Potential Vulnerability: Business Relationships with patrons being established based on unconfirmed information and not necessarily Bona Fide sources, allowing potential criminal infiltration of the High Risk Patron (HRP) program by opening Patron Gaming Fund (PGF) accounts. Data from patron profiles indicate occupation as Housewife, student. High volumes of cash suggest patrons are susceptible to loan sharking activity. Incomplete recorded data includes identification on profiles such as CEO, Company owner, insufficient detail to identify such things as company name, beneficial ownership, incorporation documents, etc. There are large gaps on what they ask and what is supplied by the Patron especially when the banking information is sought, actual company information (records), how the Patron acquires cash in Canada. Etc. BCLC often conducts the CDD after the fact and the potential for illicit cash to enter has already taken place. public interest immunity

public interest immunity

Itrak. This is a gap that has been exploited. This example is for the second problem. They should be doing the due diligence before they accept the money. Further, minimal verified information, such as documentation (e.g., passport), is considered sufficient to address the established risk threshold and the current know your customer process is only initiated after second triggering incident UFT, SFT, LCT or PGF account opening. .
4. Frequency: This vulnerability is present with every source of wealth declaration; however, it is not always exploited. The vulnerability is that exploitation of the process is not known until after the fact, often when it is too late to take action.

Data

1. Available Data: BCLC Player Profiles, Service Provider Player Records.
2. Required Data: The number of LCTs where no CDD / KYC has been conducted prior to the transaction; the number of PGF accounts and business relationships; what types of records, provided by the patron, are on file (physical document vs. verbal declaration). It may be worthwhile to examine the top 10 PGF accounts for high risk patrons and obtain the files and documentation associated with those accounts to conduct a detailed analysis.
3. Potential Data Sources: BCLC and Service Providers

Existing Preventative Polices and Safeguards

1. Existing Safeguards: CDD / KYC process at PGF Account opening. Current KYC policies are based on verbally supplied customer information. CDD checks are performed on vague sometime verbally translated to English identifiers such as occupation and company name and prowess.
2. Existing Policies: What is the CDD / KYC / SOW process taken by SPs / BCLC at PGF account openings? What steps are taken and what is the threshold for initiating the KYC process (when is the business relationship established?)

Future work

1. Information Sources: Audit.

a. GPEB Audit will be conducting an audit in 2019/20 related to the company names being supplied in relation to the source of wealth. The audit will try and look further into the Company Names being supplied by patrons (as well as the impact of not obtaining Chinese characters) to source their apparent wealth. Patrons are being allowed to gamble and set up PGF accounts with what is believed unconfirmed information establishing their source of wealth/income from their jobs. The audit will involve interviewing BCLC AML on their practices and work with Investigations/Intel.
b. GPEB Audit will be conducting analysis in early 2019/20 to quantify the dollar amount of buy-ins that are occurring between when PGF account is opened by the Service Provider and when BCLC approves the account and does its customer due diligence. We want to get an understanding of the impact of this vulnerability on how much funds are getting into the casinos before BCLC does its verification. Also, we want to get an understanding of how many accounts BCLC has closed after doing its KYC.

2. Potential Solutions:
   a. Create new criteria to identify and establish minimum standards on KYC to include such things as:
      - What constitutes a High-Risk Patron ($$ value – High Limit Room registration-Gaming Card)
      - Supporting documentation of Identify
      - Source of wealth documentation – company records, company principles etc.
      - Source of funds documentation – Bank account registered for acceptance of FI being presented.
   b. Transition to requiring documents from patrons instead of verbal declaration.
   Rationale: Documents can be audited, but verbal declarations can be more difficult to verify.

Prepared By: Ken Ackles/Jim Fiddler, Enforcement
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AML Vulnerabilities Working Group

Lack of Post-Incident(s) Identification and Assessment Process

General

1. Lead Contact: Ken Ackles/Jim fiddler
2. Analysis: Most of the information is anecdotal. Some analysis is underway regarding chip passing.
3. Active or theoretical issue: This is potentially an active issue with some empirical data to substantiate. This issue was raised as part of the German review which made it apparent that there are numerous issues that could be addressed (e.g., through training) but which are not dealt with though they are identified.

Vulnerability

1. Description: Service Providers are not conducting reviews post-incident(s), thereby not identifying opportunities for improvement. Additionally, they are not implementing preventive policies (when others, for example GPEB, identify ongoing issues) to ensure similar incidents do not reoccur. The problem, therefore, continues because there is a lack of support/training for front end service provider personnel, lack of policy changes, and a broader lack of accountability placed on Service Providers/BCLC. Identified issues are often considered to fall under "conduct and management" and as such forcing policy implementation on this issue seems to be outside of GPEB's jurisdiction. Even if GPEB staff identify shortcomings in BCLC or Service Provider process (e.g. lack of follow up/policy change after incidents occur), BCLC does not have to implement changes to their policies, or force SPs to change theirs. Simply, GPEB has the power to investigate but not require change as a result of investigative findings and as a result, the problem behaviours that led to these shortcomings (e.g., chip passing) will continue to occur. .
2. Category of Potential Vulnerability: Source of Funds Identification
3. Why a Potential Vulnerability: There is no documented process for identifying and addressing problematic trends. If BCLC and SPs do not conduct post-incident reviews, vulnerabilities may not be identified. When vulnerabilities are identified by GPEB, they are often not addressed and GPEB does not have the authority to require improvements. Additionally, if they are addressed ad hoc this may result in lack of consistent solution within the organisation (and across BC casinos) allowing incidents to be repeated at the same location due to lack of remedying training/policy.
4. Frequency: This happens with routine processes (possibly on a daily basis), at the service provider level.

Data

1. Available Data: s. 86 reports, information records on GOS
2. Required Data: Some, data is available from collected s. 86 reports, Enforcement data on chip passing (as chip passing will be used as an example of an unaddressed problem for the analysis document).

Prepared By: Ken Ackles/Jim Fiddler, Enforcement
Date Last Modified: 19.05.17

3. Potential Data Sources: GPEB Enforcement data on chip passing, BCLC data on any procedures they may have for improving processes when issues arise.

Existing Preventative Polices and Safeguards

1. Existing Safeguards: None available for consideration, should consult with BCLC (see potential data sources).
2. Existing Policies: BCLC/SPs rely on the AML training as a safeguard; however, if problems continue to occur this indicates the AML training is not a safeguard as it does not address emerging issues.

Future work

1. Information Sources: Spreadsheet of collected s. 86(2) reports, audit analysis of s. 86 reports, Audit information on lack of change in handling procedures and lack of training available to front-end staff. Enforcement is currently compiling information from January 1, 2018 to the current date regarding chip passing. Data regarding chip passing will be gathered and used as an example of a larger series of issues; the analysis document will outline the chip passing problem as illustrative of other issues. Other issues will be listed and the analysis document will communicate that data on the other existing issues is available if necessary.
2. Potential Solutions:
    a. Short-Term Solutions:

- Casinos establish a practice of reviewing incidents for lessons learned and updating policies based on their real-world experience.
- Casinos communicate with one another (either ad hoc as incidents take place or at a regular meeting) to share lessons learned so vulnerabilities addressed in one location are not exploited elsewhere OR Casinos report their findings and solutions to BCLC who then shares the new best practices with other casinos in BC.
- Section 86 reporting should be analyzed to more clearly identify trends.
- Establish a working group with a clear TOR that assigns accountability and sets out expectations and desired outcomes (e.g., policy change and behavioural change are potential outcomes). The working group would consist of members at the executive level, including representation from GPEB, BCLC, and SP security/compliance/enforcement. This working group could be related to the GIG as through the GIG BCLC, GPEB, and JIGIT already have the ability to share, collaboratively identify, and process solutions to issues as they arise, thereby ensuring accountability.

    b. Long-Term Solutions

- Revise legislation to clarify the Regulator's role in conduct and management to ensure that the Regulator has the authority to require changes when issues are identified.