

IIGET

Integrated Illegal Gaming Enforcement Team



Royal Canadian Mounted Police



**Gaming Policy and Enforcement Branch
Investigation Division**

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INTEGRATED ILLEGAL GAMING ENFORCEMENT TEAM

ROYAL CANADIAN MOUNTED POLICE

AND THE

**GAMING POLICY AND ENFORCEMENT BRANCH
INVESTIGATION DIVISION**

**Consultative Board Meeting
November 29, 2004**

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**Document prepared by;
T.J. (Tom) Robertson, S/Sgt.
NCO i/c IIGET**

IIGET MANDATE / OBJECTIVES

MANDATE:

“MAINTAIN THE INTEGRITY OF PUBLIC GAMING IN BRITISH COLUMBIA BY ENHANCING THE LEVEL OF ENFORCEMENT SPECIFICALLY TARGETING ILLEGAL GAMING”

OBJECTIVES

To meet this mandate IIGET purposes to accomplish the following objectives through our integrated responsibilities of;

OBJECTIVE 1:

Gathering of INTELLIGENCE with respect to ILLEGAL GAMING ACTIVITY in the Province.

OBJECTIVE 2:

PREVENTION of Illegal Gaming through EDUCATION AND PARTNERSHIPS.

OBJECTIVE 3:

INVESTIGATION AND ENFORCEMENT of GAMING CONTROL ACT and REGULATIONS AND CRIMINAL CODE related offences. Three levels of enforcement will be initiated.

HISTORY:

There is minimal current intelligence with respect to the scope of illegal gaming within the Province of British Columbia. Prior to the existence of IIGET there was no central repository for information and intelligence that was received on illegal gaming activity. Information that was received on illegal gaming activity from police officers during related or unrelated investigations or information from confidential sources was usually disseminated to the local plainclothes / major crime unit for that respective jurisdiction for investigation. In recent years, British Columbia has never had an enforcement dedicated to illegal gaming enforcement. IIGET will now fill that void.

Discussions with Ontario Illegal Gambling Unit (OIGU) within the Organized Crime Section of the Ontario Provincial Police reveals that within the Province of Ontario, illegal gambling is flourishing. That unit was established in 1997 and it was estimated that Ontario had 20,000 illegal video lottery terminals. Those estimates were extremely high as their unit has to

date seized only a total of 2,238 machines and they, over the past 7 years of operation, believe they have thoroughly scoured their Province. While they do not have specific numbers related to Common Gaming Houses they do have some financial estimates on the profits being made at such establishments. They estimate that the average figure profited by the "house" on a Texas Hold'em game is 5%. Taking a lower stakes game of \$2.00 - \$4.00 where the conservative average pot is \$100.00 equates to a "rake" or profit of \$5.00 per hand or \$200.00 per hour based on an efficient "casino quality" dealer who averages 40 hands per hour. The majority of their common gaming house searches usually reveal 1 - 3 tables being played for various hours per day.

OBJECTIVE 1: INTELLIGENCE

IIGET will be the central depository of intelligence received from all sources in relation to illegal gaming on illegal gaming activity. IIGET has been advertised to all RCMP officers within the Province via email as the Unit responsible for illegal gaming intelligence and enforcement. IIGET plan to continue to market throughout the police population in an effort to have Officers report all incidents of illegal gaming to them. In addition it is anticipated that by educating these Officers through personal visits to their unit meetings and briefings, they will be encouraged to be more observant in these areas **V2: Police Investigative Technique**

Intelligence related to internet gaming, illegal VLT's, common gaming houses, illegal lotteries, ticket reselling, money laundering and proceeds of crime will be the main targeted offences.

V2: Police Investigative Technique

Measure of Success: As a result of these initiatives, by April 2006, IIGET will be able to;

- give a more informed estimate and a more accurate picture as to the extent of illegal gaming within the Province.
- Give an 18-month overview on the number of intelligence reports received or initiated by IIGET.

OBJECTIVE 2: EDUCATION and PARTNERSHIPS

IIGET plan to educate not only the police but also the general public and businesses who become aware during everyday life activity of illegal gaming activity at various locations. It is believed that they are either unaware that the activity is illegal or believe there is little, or no action that can or would be taken. An example of this would be IIGET investigators partnering with inspectors from the Liquor Control and Licensing Branch. Their inspectors routinely enter

licensed establishments throughout the Province and have observed what they believe are illegal video lottery machines. They now have an enforcement agency who are prepared to react to their information and future consideration is being given for them to distribute an awareness bulletin educating establishments that there is an onus and responsibility on their part to ensure that illegal gaming activities (ie: gaming machines, poker nights, illegal lottery schemes etc) does not occur within their businesses.

It is the strategy of IIGET management that enforcement in this area of illegal gaming would primarily continue to be done by investigators from the GPEB side Team.

Measure of Success: As a result of these initiatives, by April 2006, the General Public, other Organizations, Law Enforcement and other Regulatory Enforcement Agencies will have a greater understanding of the illegal gaming activities and have a willingness to report them.

The measure of this will be IIGET's reporting on the number of reports received from the General Public, other Organizations, Law Enforcement and other Regulatory Enforcement Agencies.

OBJECTIVE 3: ENFORCEMENT

IIGET will be primarily responsible for major illegal gaming activity operated by organized crime groups and those in the 'business' of illegal gaming. These offences would include; Internet Gaming, Bookmaking, Possession of unlicensed Video Lottery Terminals (VLTs), Distribution of VLTs, Common Gaming Houses, Resale of Lottery tickets, Money Laundering and Proceeds of Crimes investigations. The RCMP investigators are equipped to lead the more complex investigations and have access to various support units frequently utilized in these types of investigations. As with the partnerships with LCLB inspectors, IIGET plan to combine their efforts to diminish the financial attraction of illegal gaming profits by partnering with investigators from the Canada Customs Revenue Agency. It is also hoped that a relationship between the IIGET investigators and a Provincial Crown Prosecutor can be modeled after the OPP's Illegal Gambling Units relationship with their Crown. The various gaming offences are foreign to the majority of prosecutors and having one with an interest in this field for investigators and prosecuting crowns of the jurisdiction to liaise and consult with would be beneficial. If such a Crown is identified it is the intention of IIGET to fund his or her related training at the OPP's related course that is geared for prosecutors. GPEB Investigators will continue to enforce minor illegal gaming offences and will support major investigations within the IIGET mandate.

The strategy has been agreed upon by the NCO i/c, RCMP and the Deputy Director GPEB, Investigation Division. While they are aware of their own responsibilities, it is recognized by both that assistance between the integrated agencies is necessary to accomplish the overall objectives. It is further agreed that the priority given to the investigation of the complaints and information received on IIGET files will be the responsibility of the NCO i/c in conjunction with the Deputy Director, GPEB, Investigation Division. While these discussions

occur informally on a daily basis, these managers formally meet on a bi weekly basis to review the information, complaints and ongoing investigations which IIGET is receiving and conducting to ensure resources are being used correctly and to consult with one another on the priorities being given to these files.

The NCO i/c RCMP is also responsible for the completion of a bi weekly written report for the Officer in Charge of the E Division - Major Crime Unit and his Officer in Charge of Special Projects, the NCO's immediate supervisor. These reports provide updates on the status of all active IIGET investigations.

The investigation and enforcement of Illegal Gaming activity should not be mistaken as the sole responsibility of IIGET but includes the police of jurisdiction. While IIGET will likely be the lead on the majority of these files, it is our intention to include when available, officers, both uniformed and plainclothes in our investigations.

LEVELS OF ENFORCEMENT – Discretionary Power of Investigators

It is proposed that three levels of investigation and enforcement will be undertaken,

- 1) Investigation resulting in verbal or written warning, which will be appropriate in instances where the offence is minor, the violator may be given the benefit of the doubt he or she will not repeat, and /or it is not in the public interest to pursue other sanctions in this instance.
- 2) Investigation and ticketing process for minor violations,
 - a) After a verbal or written warning, if appropriate, or
 - b) For minor offences, including where regulatory sanctions are not appropriate or insufficient.
 - Tickets will be issued by GPEB Investigation Division, Investigators who are Special Provincial Constables.
 - The issuing of tickets will not eliminate nor substitute from the targeting and prosecution of more serious and problematic offences, but can be an additional tool
 - Province will be seen to be taking an appropriate action to prevent the illegal activity without additional burden on the court system.
 - Evidence must be obtained in accordance with appropriate legal authority
 - Investigators of GPEB, Investigation Division (IIGET) will generally prosecute disputed tickets.
- 3) Investigations with a view of criminal prosecution for matters under the Criminal Code, and some activities under the Gaming Control Act for which warnings, regulatory sanctions and ticketing are not deemed appropriate. This level of enforcement includes investigation, evidence seizure and recommending to crown counsel that charges be laid.

Measure of Success: As a result of these initiatives, over the next 18 months, there will be a measurable increase of gaming license requests received by GPEB. There will also be a measurable increase as to the number of seizures and enforcement actions with regards to illegal gaming in the Province. It is the current philosophy that IIGET will, during this time period, concentrate their enforcement efforts in the areas of; the Possession of Video Lottery Terminals (VLTs), the Distribution of VLTs and Common Gaming Houses. To ensure the success of Objectives 1 and 2, it is important that IIGET be visible and available to calls and complaints from the Public, Law Enforcement Agencies and our Regulatory Enforcement Partners. While it is recognized that the investigations of Internet Gaming, the Resale of Lottery tickets, Money Laundering and Proceeds of Crimes investigations is important to this overall objective, these offences tend to be a greater drain on resources and require investigators to have a greater skill set and more experience. It is anticipated and can be expected that IIGET investigators will gain this skill set over this 18 month period from their experience and training.

Current Status

RCMP Staffing

As of this date, ten of the twelve RCMP members assigned to IIGET have been transferred into the Unit which is now fully operational in all four IIGET offices around the Province. Nine of these ten members have received the OPP two week course on Illegal Gaming Investigations **V2: Police Investigative Technique**. The eleventh member, the Sgt who will work out of the Burnaby office is scheduled to start on the Unit on Dec.15th, 2004 and the twelfth position, a Cst. who will work out of the Victoria office has been identified and is currently being worked on with Staffing Branch with an anticipated implementation date in late January. Joining the current GPEB investigators at their offices are the following RCMP officers,

Lower Mainland

#408 - 4603 Kingsway Ave. Burnaby, BC V5H 4M4

S/Sgt. Tom ROBERTSON NCO i/c
P/S Lisa CHERALLEY Support Staff

Sgt. Chuck McDONALD
Cpl. Ted VANOVERBEEK
Cst. Al PERUZZO
Cst. Kirby ADAMS
Cst. Gary RODRICKS

Southeast District

#200 - 1517 Water St., Kelowna, BC V1Y 1J8

Cpl. Dean FILIPCHUK

Cst. Rob CORMIER

North District

#211 - 1577 7th Ave. Prince George, BC V2L 3P5

Cpl. Geoff PARKS

Cst. Todd PARKER

Island District

3rd Floor, 910 Government St. Victoria, BC V8W 1X3

Cpl. Mike DORRAN

Cst. (TO BE NAMED / PID :05-01-24)

Equipment

It is believed that the majority of equipment needed by investigators to conduct their investigations has been purchased. There have been some delays in the connection of computer lines at the Kelowna, Prince George and Victoria offices however these seem to have been rectified or will be in the near future.

Caseload

IIGET currently has 38 files opened for investigation and to date has seized 5 video lottery terminals and participated in the search and preparation of charges on one common gaming house. **V2: Police Investigative Technique**

[REDACTED]

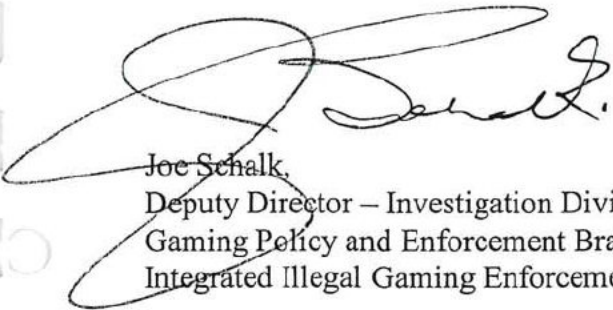
[REDACTED]

Within five days of the initial email advertising IIGET to all RCMP members (mentioned previously in Objective #1), a call was received from a school liaison officer requesting information concerning the age restriction related to gaming. The officer had learned of IIGET through the email and turned to us for information. After further discussion it was learned that the mother of a 17 year old student had posed this question following her son's loss of \$150.00 on a VLT at a local business. Neither the officer nor the mother was aware that the age restriction was irrelevant and the machine was likely illegal. A report is subsequently being received from the officer and follow up action will be taken by IIGET.


BUDGET

It is forecast that just over \$900,000.00 of the IIGET (RCMP portion) budget will be spent during this fiscal year.

The \$250,000 allotted to GPEB for their operational commitment to IIGET initiatives will be spent for **V2: Police Investigative**, GPEB investigators travel, investigation and rental costs associated with their involvement in IIGET investigations. The decision making on the allotment and spending of monies from this budget will be made by the Deputy Director in conjunction with the NCO i/c IIGET (RCMP). Although expenses have been incurred which should have gone against this budget, these monies have not yet been accessible although it is believed that will be amended in the next week or two. Accounting for expenditures against this budget to the Consultative Board is the responsibility of the Deputy Director GPEB, Investigation Division.



Joe Schalk,
Deputy Director – Investigation Division
Gaming Policy and Enforcement Branch
Integrated Illegal Gaming Enforcement Team



Tom Robertson,
S/Sgt. - NCO i/c - RCMP
Integrated Illegal Gaming Enforcement Team