

**Ministry of Attorney General**  
**Anti-Money Laundering Deputy Minister Committee**  
**Terms of Reference**  
**September 2018**

**1. Purpose/Scope**

The objective of B.C.'s Anti-Money Laundering (AML) efforts is to take action to eliminate money laundering in B.C.'s casinos. This will be done initially through review and implementation of the recommendations from Peter German's report, "Dirty Money," and may also be expanded to include consideration of the real estate and other sectors (luxury cars/goods, horse racing, etc.) in the future.

**2. Structure**

The AML Deputy Minister Committee (DMC) is created to oversee, guide and direct the implementation the recommendations from the Peter German report. It is responsible to the Attorney General as lead minister on the AML file.

The DMC is supported by the AML Secretariat (AMLS), as well as indirectly by both the BC Lottery Corporation (BCLC) and the Gaming Policy and Enforcement Branch (GPEB).

The official governance structure is detailed in Appendix A.

**3. Roles**

The AML DMC has overall responsibility to identify ownership, direct, guide and deliver on the recommendations from the German report that will have a positive impact on reducing or eliminating money laundering in British Columbia's gaming establishments.

BCLC and GPEB are the lead agencies for recommendations where they have been identified as having responsibility. In those instances, the responsible ADM/CEO will report directly through the Associate Deputy Minister to the AML DMC.

The AMLS has been established to lead implementation of recommendations that cross ministries/agencies/industry, as well as provide overall oversight and tracking of all project implementation work (including those where BCLC and GPEB have responsibility). It will support and the AMLS chair will report directly to the AML DMC.

For a list detailing the lead for each recommendation, see Appendix B.

For those recommendations and projects identified as not requiring AML DMC involvement or direction, the responsibility for oversight, direction and guidance will fall to the Associate Deputy Minister committee (ADMC), which will meet as needed, or the relevant branch's Assistant Deputy Minister/Chief Executive Officer.

#### **4. Membership and Responsibilities**

Voting members of the AML DMC are Douglas S. Scott (MAG) Lori Wannamaker (FIN), and Mark Sieben (PSSG).

Non-voting members include Jim Lightbody (BCLC), Sam MacLeod (GPEB), Shauna Brouwer (FIN) and Jeff Groot (MAG).

The Committee Chair will be the Associate Deputy Minister, Crown Agencies.

The Committee Vice Chair will be the Deputy Minister of Finance.

Responsibilities of the AML DMC are to:

- Provide strategic direction and guidance for AML activities to ensure alignment with the AML objectives and German report recommendations;
- Provide scheduled update reports to the Attorney General and Finance Minister on an as-needed basis;
- Monitor the project progress, timelines, and deliverables;
- Manage critical issues, resolve any issues raised to the Committee and minimize barriers and impediments to achieving the AML objectives; and
- Maintain alignment and integration across all AML activities.

#### **5. Meetings and Decision Making**

The AML DMC shall meet monthly, unless otherwise requested by the Chair. As needed, the Chair can call an ad hoc meeting of the Committee with sufficient notice (at least 72 hours).

Meetings may be in person, by telephone, video conference, or other electronic means and a quorum will be achieved with two (2) voting members in attendance. Each voting member or designate will hold a single vote and members may appoint a proxy to attend meetings on their behalf.

All representatives, whenever reasonably possible, shall make it a priority to approve matters on a consensus basis.

If Committee members determine at the meeting that additional information is required for decision-making, the members will agree to (and assign to the ADMC or AMLS, as appropriate) all actions required to support the decision. The ADMC or AMLS is to obtain and distribute the additional information to members and the decision must be finalized within a mutually agreed to number of days of receiving the additional information. If a decision cannot be reached within a mutually agreed to number of days of receiving the information, the Chair reserves the right to make the decision.

Separately, the ADMC and AMLS will also meet regularly, as set out in Appendix A.

#### **6. Meeting Administration**

Meeting notices will be circulated to members at least five (5) business days prior to the meeting and will indicate mandatory and optional invitees. Meeting attendance is mandatory for permanently appointed members of the committee. Meeting invitees to indicate their ability to attend at least two

(2) business days prior to the meeting and, if unable to attend, to send an appropriate designate with decision-making authority.

Agendas will be established by the meeting chair and/or vice chair and circulated with any other meeting materials three (3) business days prior to the meeting.

## **7. Reporting and Accountability**

A meeting coordinator within the Associate Deputy Minister's Office at the Ministry of the Attorney General will act as the secretariat for the Committee and will:

- Set up and manage a Committee SharePoint site for members to access materials;
- Arrange meeting invitations for regularly scheduled and ad hoc meetings of the Committee;
- Work with the Chair and/or Vice Chair to set and distribute the agenda for each meeting;
- Work with the Chair and/or Vice Chair to prepare and distribute pre-meeting materials;
- Create a draft record of the proceedings and distribute; incorporate feedback and distribute final record; and
- Track progress against action items, issues and risks.

A record of each meeting will be produced as follows:

- Minutes will be prepared by the meeting coordinator, including a record of key decisions and discussions;
- Draft minutes shall be distributed to committee members in advance of the next meeting for subsequent ratification;
- The Chair shall resolve any conflicting feedback, in consultation with Committee members as required; and
- Finalized minutes of the proceedings shall be posted to the Committee SharePoint.

## Appendix A: ANTI-MONEY LAUNDERING (AML) GOVERNANCE STRUCTURE

### AML Deputy Minister Committee (DMC)

- Purpose: To monitor and receive updates on project progress, timelines and deliverables; provide strategic direction and guidance on AML activities; manage and resolve critical issues.
- Meetings: monthly, 45 minutes
- Voting Members: Doug Scott (MAG, chair), Mark Sieben (PSSG), Lori Wanamaker (FIN)
- Non-Voting Members: Jim Lightbody (BCLC), Sam MacLeod (GPEB), Shauna Brouwer (FIN), Jeff Groot (MAG)
- Supported by: AMLS
- Standing items: TBC

### Associate Deputy Minister Committee (ad hoc)

- Purpose: To give direction, make decisions and resolve critical issues for projects identified as not requiring AML DMC involvement; to review/approve and direct items to escalate to DMC (where needed)
- Meetings: bi-weekly, 60 minutes
- Members: Doug Scott (chair) and Jeff Groot (MAG), Jim Lightbody and Jennifer Gallaway (BCLC), Sam MacLeod and Jillian Hazel (GPEB).
- Supported by: AMLS
- Standing items: TBC

### AML Secretariat (AMLS)

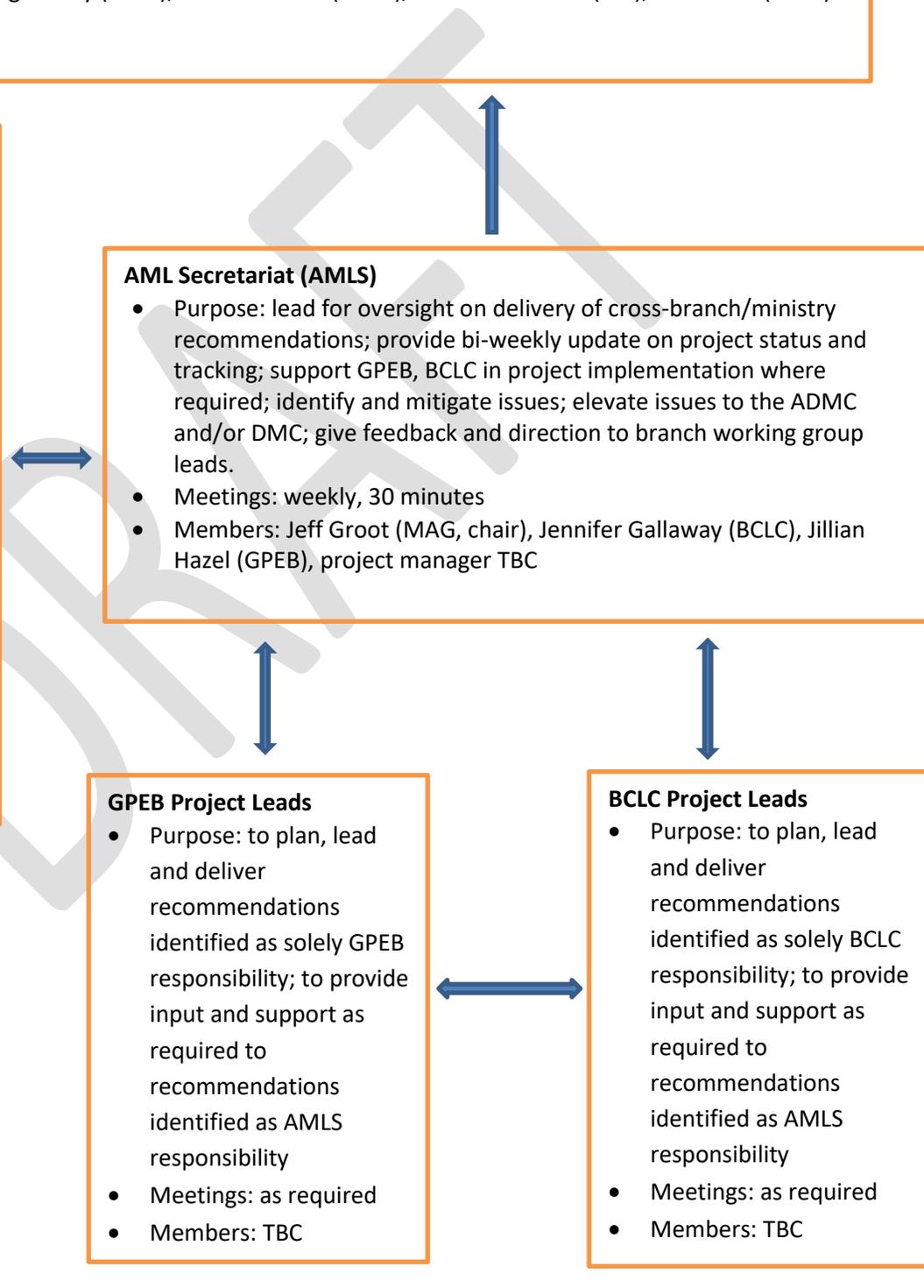
- Purpose: lead for oversight on delivery of cross-branch/ministry recommendations; provide bi-weekly update on project status and tracking; support GPEB, BCLC in project implementation where required; identify and mitigate issues; elevate issues to the ADMC and/or DMC; give feedback and direction to branch working group leads.
- Meetings: weekly, 30 minutes
- Members: Jeff Groot (MAG, chair), Jennifer Gallaway (BCLC), Jillian Hazel (GPEB), project manager TBC

### GPEB Project Leads

- Purpose: to plan, lead and deliver recommendations identified as solely GPEB responsibility; to provide input and support as required to recommendations identified as AMLS responsibility
- Meetings: as required
- Members: TBC

### BCLC Project Leads

- Purpose: to plan, lead and deliver recommendations identified as solely BCLC responsibility; to provide input and support as required to recommendations identified as AMLS responsibility
- Meetings: as required
- Members: TBC



## Appendix B: LEAD FOR AML RECOMMENDATIONS

Rec Number	Description	Lead
1	That the GCA be amended to provide for the Recommendations in this Report	GPEB
2	That the GCA clearly delineate the roles and responsibilities of BCLC and the Regulator	GPEB
3	That BCLC, in conjunction with the Regulator and Service Providers, review the present Source of Funds Declaration on at least an annual basis to determine if refinements are required	BCLC
4	That BCLC re-enforce the importance of Service Providers not accepting cash or other reportable instruments if they are not satisfied with a source of funds declaration	BCLC
5	That the Service Providers be responsible for completing all necessary reports to FinTRAC, including STRs	TBD (dependent on 6)
6	That discussions with FinTRAC take place with the purpose of designating the Service Providers as direct reports to FinTRAC, failing which that reports from Service Providers be sent in an unaltered form to FinTRAC by BCLC	AMLS
7	That BCLC provide Corporate STRs if its files contain relevant information not contained within an STR from a Service Provider	BCLC
8	That Service Providers develop the necessary capacity to assess risk and perform due diligence on suspicious transactions	TBD (dependent on 6)
9	That the service providers copy STRs to BCLC, the regulator (and the DPU) and the RCMP	TBD (dependent on 6)
10	That the Regulator / DPU be provided with access to iTRAK in its offices	BCLC
11a	That UFT reports be eliminated	BCLC
11b	That SCT reports be eliminated	GPEB
12	That a Transaction Analysis Team be developed to review all STRs and that the team be composed of a representative of the Regulator/DPU, JIGIT and BCLC	GPEB
13	That the Transaction Analysis Team meet on at least a weekly basis to review all STRs and develop strategies to deal with each	GPEB
14	That JIGIT be provided continuing support with respect to its investigative mandates	GPEB

15	That the Province consider transitioning JIGIT to a permanent, fenced funding model within the RCMP's provincial budget	AMLS
16	That BCLC not engage in further undercover operations, except in conjunction with the Regulator and/or the police	BCLC
17	That no further expense be incurred by BCLC with respect to the SAS AML software system	BCLC
18	That BCLC ensure VIP hosts to not handle cash or chips	BCLC
19	That persons working in VIP rooms be provided with an independent avenue to report incidents of inappropriate conduct by patrons	AMLS
20	That cash alternatives become the responsibility of the Service Providers, subject to their compliance with overarching standards	AMLS
21	That cash limits not be imposed on buy-ins	BCLC
22	That PGF accounts be eliminated once responsibility for cash alternatives has transitioned to the service providers	TBD (dependent on 20)
23	That BCLC implement a chip tracking system for Service Providers	BCLC
24	That the casino industry transition to a standards-based model	GPEB
25	That the foundational standards of the standards-based model be developed by a cross-sector of industry and government, building upon the Ontario Standards, and that they be periodically reviewed and renewed	GPEB
26	That the CEO/Registrar of the Regulator be the keeper of the standards	GPEB
27	That BC transition to an independent regulator in the form of a Service Delivery Crown Corporation, with a Board of Directors and a CEO/Registrar	AMLS
28	That the Board of Directors of the Regulator be a governance board and not be responsible for appeals from decisions of the Registrar	TBD (dependent on 27)
29	That regulatory investigators continue to be Special Provincial Constables	GPEB
30	That anti-money laundering be a responsibility of the Regulator and that it institute mandatory training for front-line gaming personnel, including VIP hosts, with consideration of a Play Right program	TBD (dependent on 27)
31	That the Regulator also be the regulator of BCLC and that the BCLC Board, officers and employees be subject to registration	GPEB

32	That the Regulator provide a 24/7 presence in the major Lower Mainland casinos, until a designated policing unit is in place	GPEB
33	That appeals from decisions of the Registrar be sent to an administrative tribunal constituted for this purpose, or already in existence	AMLS
34	That funding of the Regulator continue to be from gaming revenue	AMLS
35	That the Regulator have dedicated in-house counsel	AMLS
36	That investigators hired by the Regulator meet core competencies	GPEB
37	That a Designated Policing Unit be created to specialize in criminal and regulator investigations arising from the legal gaming industry, with an emphasis on Lower Mainland casinos	AMLS
38	That the DPU be an integral part of the Regulator	TBD (dependent on 37)
39	That the DPU not be responsible for investigating illegal gaming outside casinos	TBD (dependent on 37)
40	That the DPU contain an Intelligence Unit	TBD (dependent on 37)
41	That the duties of the OPP Casino Bureau and the Nevada GCB Enforcement Division be reviewed in order to determine an appropriate role for the DPU	AMLS
42	That anti-money laundering be a specific responsibility of the DPU	TBD (dependent on 37)
43	That funding of the DPU be from gaming revenue	TBD (dependent on 37)
44	That the Provincial prosecution service ensure that it has prosecution counsel familiar with gaming law	AMLS
45	That the Province undertake research into allegations of organized crime penetration of the real estate industry	AMLS
46	That the Province consider a licencing and recording regime for MSBs, similar to the <i>Metal Dealers Recycling Act</i>	AMLS
47	That the Province consider researching the vulnerability of the luxury car sector and the horse racing sector to organized crime	AMLS
48	That the Province continue to encourage the federal government to amend the POCMLTFA to broaden the entities subject to reporting, specifically luxury goods of interest to organized crime	AMLS