

To: John Karlovcec
Date: July 18, 2018
Subject: STR Trend Analysis
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The review of the number and dollar value of Suspicious Transaction Reports (STR) for the period of January 2015 and June 2018 was conducted. Within this time, the highest STR quarterly dollar amount was \$51,207,655 (Q3 2015) and the lowest STR quarterly dollar amount was \$775,090 (Q2 2018). This represents a 98% reduction in the three year time frame.

Additionally, the highest number of reported STRs was 507 (Q1 2016) and the lowest number was 51 (Q1 2018) as stated in Figure 1. This represents a 90% reduction in the number of filed STR reports.

Figure 1: STR Count & Dollar Value

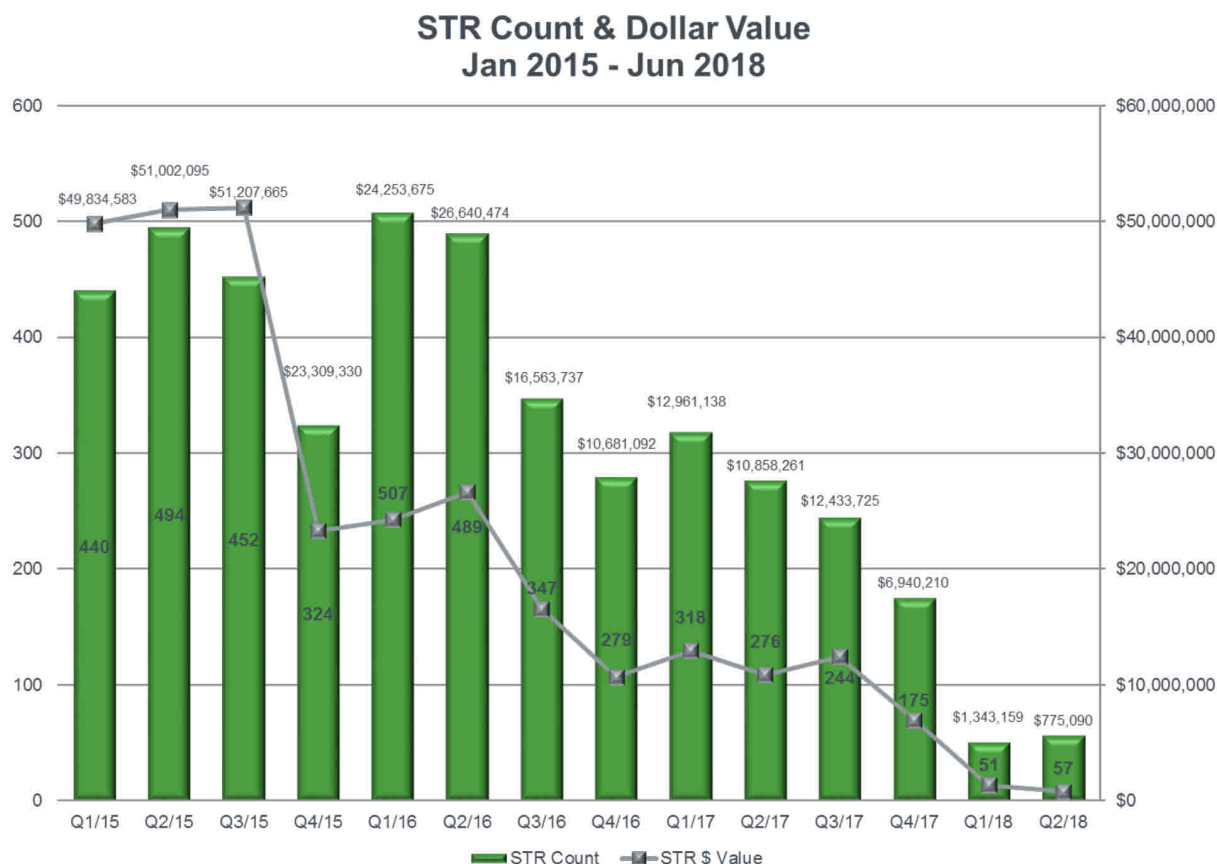
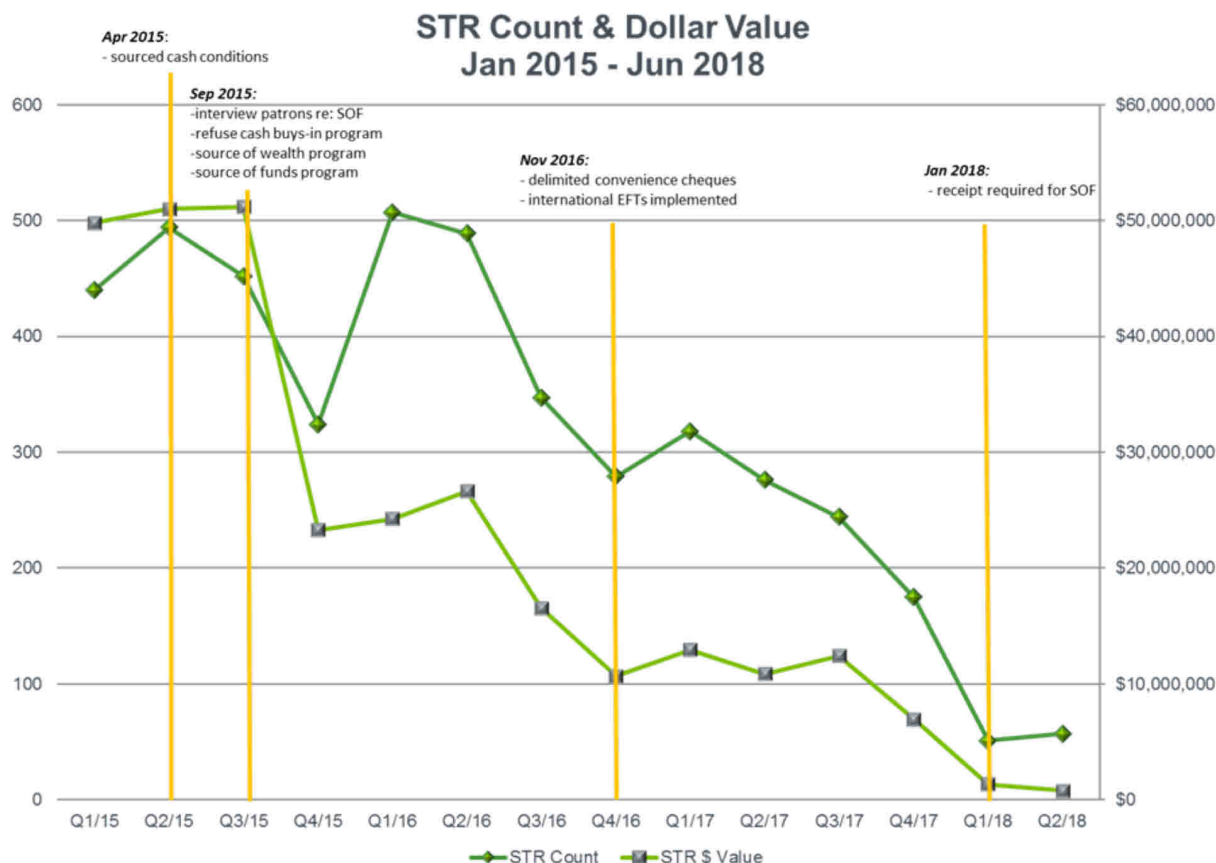


Figure 2 outlines the various programs implemented by BCLC.

Figure 2: STR Count & Dollar Value



In January 2018, BCLC implemented a directive that all cash buy-ins at \$10,000 or above, required a source of funds receipt. Data from October 2017 to June 2018 was reviewed in order to determine if the new directive had an impact on patron's buy-in behaviours. The data gathered and listed in Figure 3, displaying quarterly totals as a whole and Figure 4 displaying quarterly totals by site, demonstrates that the new directive has had an impact. The buy-in amounts above \$10,000 have dropped by 60% and the buy-in amounts below \$10,000 has increased by 40%. It is possible that patrons are simply keeping buy-in amounts below the \$10,000 limit to avoid having to produce a receipt for their source of funds or to avoid having to turn over confidential banking and other personal information. These transactions give the appearance of "structuring"; a money laundering typology, but this behaviour appears to be driven largely by privacy and convenience concerns rather than money laundering.

Figure 3: Quarterly Comparison

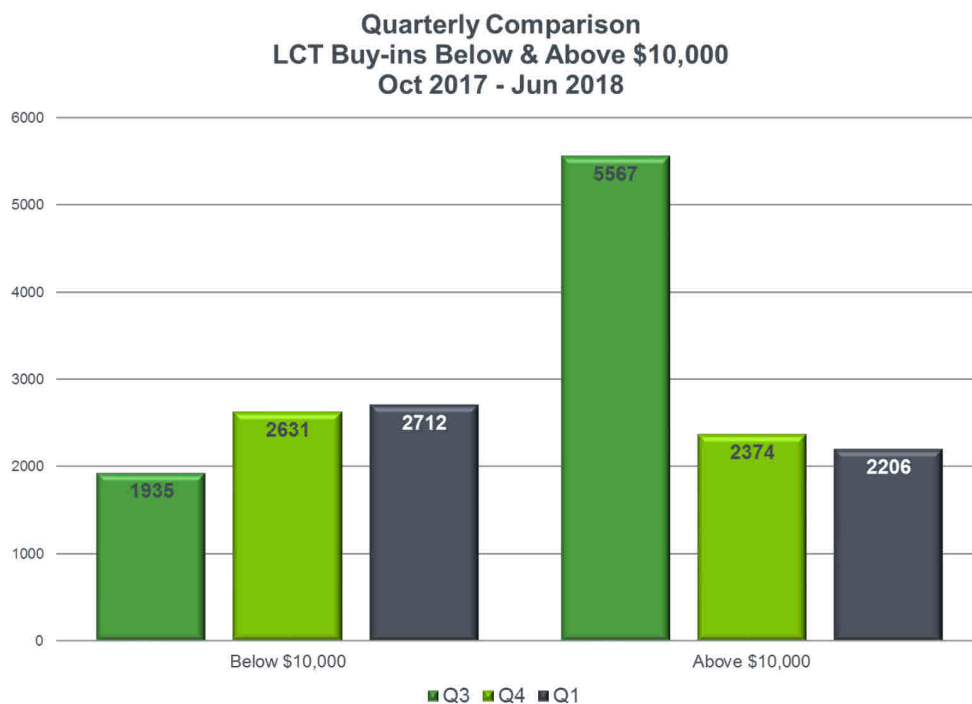
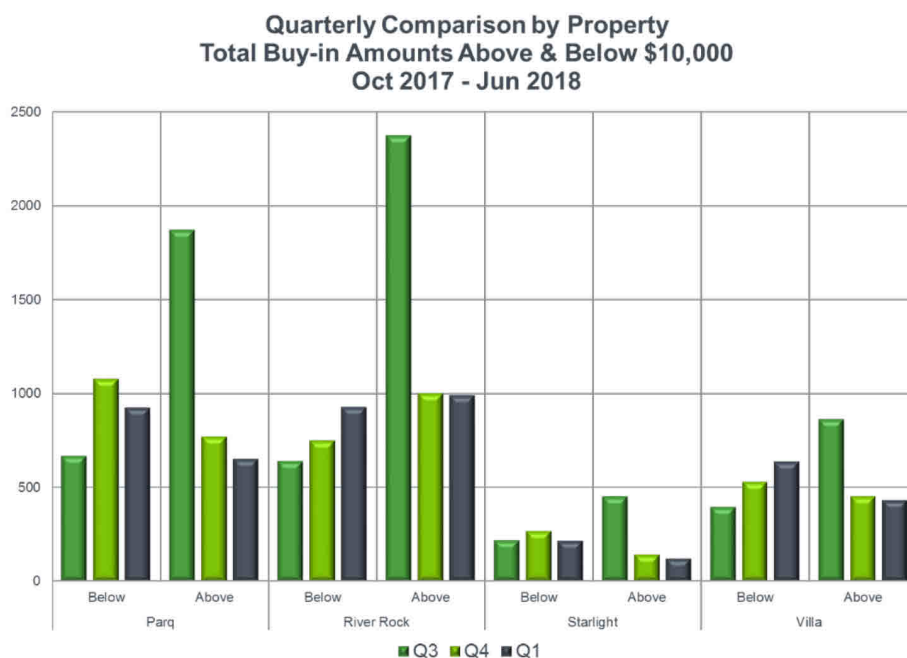


Figure 4: Quarterly Comparison by Property



The data used in this analysis was obtained from the iTrak Fintrac module and the LCT entries screen that contains the buy-in amounts for each transaction. Quarterly date ranges used: Oct – Dec 2017 (Q3), Jan – Mar 2018 (Q4) and Apr - Jun 2018 (Q1). Aside from the Starlight casino, all larger casino properties listed in Figure 5 had an increase in the amount of buy-ins below \$10,000 and a decrease in buy-ins above \$10,000 – the comparison made between the Q3 totals and the Q1 totals (Figure 6).

Figure 5: Quarter Buy-ins Per Site

Property	Q3	Q4	Q1	Q3	Q4	Q1
	Buy-Ins Below \$10,000			Buy-In Above \$10,000		
Parq	672	1077	926	1873	773	655
River Rock	642	752	927	2374	1003	991
Starlight	223	269	218	454	143	125
Villa	398	533	641	866	455	435

Figure 6: Comparison of Q3 and Q1 Totals

	Change between Q3 & Q1 Totals	
	% Change Buy-In Below \$10,000	% Change Buy-In Above \$10,000
Parq	37%	-65%
River Rock	44%	-58%
Starlight	-0.02%	-72%
Villa	61%	-50%