

**Van Sleuwen, Terri HSD:EX**

**From:** McCrea, Bill J HSD:EX  
**Sent:** July 8, 2009 4:27 PM  
**To:** Saville, Rick HSD:EX; Vander Graaf, Larry P HSD:EX; Van Sleuwen, Terri HSD:EX  
**Cc:** Sturko, Derek HSD:EX  
**Subject:** BCLC Money Management Material  
**Attachments:** Word version AML Process Charts v 1.31.doc; GPE proposals FINTRAC and BCLC practice.doc

Good Afternoon,

Derek and I had a conference call with BCLC (Michael Graydon, Terry Towns, Jacquetta Goy, Darryl Schiewe & Doug Morrison) this afternoon to review their progress toward understanding risks and controls around large and suspicious cash transactions. This is related to the ongoing discussions concerning casino Patron Gaming Fund accounts. The attached two files provide work done by BCLC since our last discussion in April. The first document contains process charts of BCLC's money management system. It includes their identified risk areas and actions to deal with those. The second document develops a comparison of GPEB's discussion on large and suspicious money transactions with the FINTRAC requirements and BCLC's commentary.

Please review this material and I will set up a video conference next week to discuss your thoughts on the progress. Rick, as you will be out of the office would you please provide me with your comments before you go. If you have any questions please let me know. Thank you for your continuing help.

Bill

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**From:** Terry Towns [mailto:[REDACTED]]  
**Sent:** July 8, 2009 11:27 AM  
**To:** Sturko, Derek HSD:EX  
**Cc:** McCrea, Bill J HSD:EX; XT:Graydon, Micheal CAsE:IN  
**Subject:** Material for 2 pm Teleconference Today

Derek, please find attached a response document to your Money Laundering Risk Management document. Also attached are process maps outlining the process for PGF (Player Gaming Fund) accounts and our current process around the implementation of the FINTRAC reporting requirements.

We are attempting to find a workable process in regards to Player Gaming Fund accounts that will:

- Comply with FINTRAC requirements.
- Identify any individuals who open those accounts.
- Identify and report suspicious transactions to FINTRAC, the Policy and GPE.

There are a number of layers of controls in place which we are and will continue to modify and refine.

Thanks for meeting with us and I am hopeful we can come up with a workable solution.

Terry

Terry Towns  
 Vice President  
 Corporate Security & Compliance, BCLC

09/07/2009

## Money Laundering Risk Management

Comparison of GPE proposals, FINTRAC requirements and BCLC current practice

### Suspicious Activity

	GPE	FINTRAC	BCLC
Principle	<p><b>'Suspicious activity'</b> in relation to the handling of cash in gaming facilities will be defined to ensure that there is clarity in the types of transactions, attempted transactions, and/or situations where cash is involved, within a commercial gaming facility, that must be <b>refused</b> by a service provider and reported to GPEB, Investigation Division via a Section 86 report.</p>	<p>The <i>Proceeds of Crime (Money Laundering) and Terrorist Financing Act</i> requires <b>reporting</b> of suspicious transactions. Suspicious transactions are financial transactions that you have reasonable grounds to suspect are related to the commission of a money laundering offence. This includes transactions that you have reasonable grounds to suspect are related to the attempted commission of a money laundering offence.</p> <p>Suspicious transactions also include financial transactions that you have reasonable grounds to suspect are related to the commission of a terrorist activity financing offence. This includes transactions that you have reasonable grounds to suspect are related to the attempted commission of a terrorist activity financing offence.</p>	<p>BCLC Casino investigators have the sole responsibility of transmission of these activities electronically to FINTRAC. BCLC has been undertaking ongoing dialogue with FINTRAC representatives to ensure that we are meeting and/or exceeding their expected reporting requirements. Currently, both the Casino Service Provider and BCLC is required to report any criminal or suspected criminal activity within the gaming facility to GPE via a Section 86 Report. All suspicious transaction reports are also reported to GPE, RCMP / IPOC and various criminal intelligence units in the lower mainland.</p> <p>→ what about refusal of suspicious transactions?</p>
Definition	<p>The definition for <b>'suspicious activity'</b>, in relation to the handling of cash in gaming facilities, includes, but is not limited to, the following types of transactions, attempted transactions and/or situations where cash is involved within a commercial gaming facility:</p>	<p>"Reasonable grounds to suspect" is determined by what is reasonable in your circumstances, including normal business practices and systems within your industry</p> <p>FINTRAC has issued guidance to help assess whether or not transactions might give rise to reasonable grounds for suspicion. Some of the indicators provided could result in the transaction being aborted if the client requests a service that is prohibited by your business or by your anti-terrorism measures.</p> <p>Where indicators (either casino specific or general) match with the GPE recommendations, these are cited below:</p>	<p>The FINTRAC requirement is to report, not refuse suspicious transactions. The only transactions that are currently refused are those where the information requirements are not met (ie no ID is provided)</p> <p>Most of the GPE indicators are the same or similar to that specified by FINTRAC. However FINTRAC is clear that it's suggested list of indicators should be seen as suggestions for patterns of behaviour rather than specific signs of money laundering.</p> <p>* The impact of refusing all transactions is uncertain, and could lead to missing opportunities to detect money laundering, as well as probable loss of business and over reporting to FINTRAC.</p>

	GPE	FINTRAC	BCLC
Indicators	<ul style="list-style-type: none"> <li>○ Cash transaction greater than \$3,000 which comprises only twenty dollar denominational notes; (includes multiple transactions that in total exceed \$3,000 in a 24 hour period);</li> </ul>	<ul style="list-style-type: none"> <li>○ Client uses notes in denominations that are unusual for the client, when the norm in that business is different. (FINTRAC examples of common indicators)</li> </ul>	<p>This type of activity could be normal for that individual, and would only be reported if it was unusual or where there were other signs of suspicious behaviour. Very large cash transactions are managed through the large table buy-in procedure, which allows an extra degree of scrutiny (although introduced for logistical reasons). This is effective from 200 \$20 bills (equivalent to \$8k)</p> <p>BCLC casino investigators have instructed staff that if they have any suspicions security should be informed, and any transaction deemed suspicious (regardless of value) by BCLC security will be reported as a suspicious transaction to FINTRAC, GPE and RCMP / IPOC.</p>
	<ul style="list-style-type: none"> <li>○ Cash transaction where the bills smell of illegal or suspicious substances;</li> <li>○ Cash transaction where the bills have suffered unusual damage (e.g. being singed)</li> </ul>	<ul style="list-style-type: none"> <li>○ Client deposits musty or extremely dirty bills. (FINTRAC examples of common indicators)</li> </ul>	<p>It is not expected that casino dealers and/or cashiers should be cognizant of all suspicious smells or substances that may be found on cash, however the requirement is clear that should suspicion be raised for any reason, casino security are always notified, and that they would make the decision as to next steps. On a number of occasions in the past reports about the state of bills have been sent to the relevant police authority and have resulted in prosecution.</p>
	<ul style="list-style-type: none"> <li>○ Patrons are wagering off-setting bets on a particular table game (single or multiple players)</li> </ul>	<ul style="list-style-type: none"> <li>○ Acquaintances bet against each other in even-money games and it appears that they are intentionally losing to one of the party.</li> </ul>	<p>Only an issue for Mini-Baccarat and Baccarat tables. Sometimes patrons will test tables through this sort of activity as a away to judge 'which way the deck is going'. This sort of activity would be monitored as it could be suspicious for both money laundering or potential cheating, but would not necessarily be considered suspicious without other factors at play.</p>

	GPE	FINTRAC	BCLC
Indicators	<ul style="list-style-type: none"> <li>Patron requesting a trade up of small bills for larger bills (e.g. \$20 bills to \$100 bills);</li> </ul>	<ul style="list-style-type: none"> <li>Client exchanges small denomination bank notes for large denomination bank notes, chip purchase vouchers or cheques.</li> </ul>	<p>BCLC policy is very specific that if a situation such as this occurs, where after limited play the individual cashes out, they are provided the same currency bill denominations as they bought in with. Where there has been a large table buy-in procedure the bills will be the same as those brought in by the patron, as they are held separately until play has completed.</p>
	<ul style="list-style-type: none"> <li>Patron attempts to avoid the filing of a Large Cash Transaction report by breaking up the transaction either personally or through nominees</li> </ul>	<ul style="list-style-type: none"> <li>Client attempts to avoid the filing of a report for cash by breaking up the transaction.</li> </ul>	<p>This is something that casino staff are advised to be alert for. Where patrons are observed sharing a win, all parties are required to have their details recorded on the Large Cash Transaction report. Tracking is also used to ensure that clients who progressively buy more chips until they reach \$10k are required to go through the Large Cash Transaction reporting procedure.</p>
	<ul style="list-style-type: none"> <li>Patron's amount of wagering is disproportionate to the amount of chips purchased;</li> </ul>	<ul style="list-style-type: none"> <li>Client purchases large volume of chips with cash, participates in limited gambling activity with the intention of creating a perception of significant gambling, and then cashes the chips for a casino cheque.</li> </ul>	<p>This is something that casino staff are advised to be alert for, and security and surveillance staff monitor. Patrons who cash out after limited or no play will be recorded on video, approached by security for ID, and where possible have their licence number recorded. Suspicious transaction reports are always made in these circumstances.</p>
	<ul style="list-style-type: none"> <li>Patron tenders quantity of US dollars for chips, engages in limited play and then attempts to redeem chips for Canadian dollars;</li> </ul>		
	<ul style="list-style-type: none"> <li>Patron requests a cheque that is not for gaming winnings;</li> </ul>	<ul style="list-style-type: none"> <li>Client requests cheques that are not for gaming winnings</li> <li>Client puts money into slot machines and claims accumulated credits as a jackpot win.</li> </ul>	<p>Cheques are only issued to patrons with a verified win. There is a documented procedure in place to ensure only verified winners receive winners cheques. This includes confirmation of the table number, dealer and win amount, with the table card being attached to the request for winners check documentation.</p>

	GPE	FINTRAC	BCLC
Indicators	<ul style="list-style-type: none"> <li>Patron conducts a financial transaction for a third party;</li> </ul>	<ul style="list-style-type: none"> <li>Client appears to be acting on behalf of a third party, but does not tell you.</li> <li>Client is accompanied and watched.</li> <li>Client appears to be collaborating with others to avoid record keeping, client identification or reporting thresholds. (FINTRAC examples of common indicators)</li> </ul>	<p>Third party cashing out is not prohibited, but identification rules are in place. For example where husbands and wives cash out together, both sets of ID are taken. Patrons are advised that exchanging chips is not allowed on the casino floor, and should this occur casino staff will advise accordingly. Where it is suspected that chips have been exchanged security will ensure that patrons are reprimanded and IDs are taken. Should amounts of over \$10k be broken up between associates a Large Cash Transaction is still recorded, with all parties details recorded. This may constitute a suspicious transaction.</p>
	<ul style="list-style-type: none"> <li>Any casino transaction when a patron requests payment in casino cheques made out to third parties or without a specified payee;</li> </ul>	<ul style="list-style-type: none"> <li>Client requests a winnings cheque in a third party's name.</li> <li>Any casino transaction of \$3,000 or more when an individual receives payment in casino cheques made out to third parties or without a specified payee.</li> <li>Client requests the transfer of winnings to the bank account of a third party or a known drug source country or to a country where there is no effective anti-money-laundering system.</li> </ul>	<p>This is prohibited. The transaction would not be allowed.</p>
	<ul style="list-style-type: none"> <li>Patron enquires about opening an account with the casino and the ability to transfer funds to other locations when the patron is not a regular, frequent or large volume player;</li> </ul>	<ul style="list-style-type: none"> <li>Client enquires about opening an account with the casino and the ability to transfer the funds to other locations when you do not know the client as a regular, frequent or large volume player.</li> </ul>	<p>This is not an issue at present (as there are no account facilities). Should the Patron Gaming Fund be introduced we would expect lots of enquiries, and these would not be considered ground for a Suspicious Cash Transaction if that were the only grounds for suspicion. In any case the ability to move funds to other locations is not in the current Patron Gaming Fund specification, as transfer will only be to and from the patron's financial institution.</p>
	<ul style="list-style-type: none"> <li>Patron is known to use identification under different names; and</li> </ul>	<ul style="list-style-type: none"> <li>Client is known to use multiple names.</li> </ul>	<p>This would be grounds for refusal, as correct identification would be compromised.</p>

Indicators	GPE	FINTRAC	BCLC
	<ul style="list-style-type: none"> <li>Patron will not provide identification, source of funds or occupation and/or provides unacceptable information;</li> </ul>	<ul style="list-style-type: none"> <li>Client provides doubtful or vague information.</li> <li>Client produces seemingly false identification or identification that appears to be counterfeited, altered or inaccurate.</li> <li>Client refuses to produce personal identification documents.</li> <li>Client only submits copies of personal identification documents.</li> <li>Client wants to establish identity using something other than his or her personal identification documents.</li> <li>Client's supporting documentation lacks important details such as a phone number.</li> <li>Client inordinately delays presenting corporate documents.</li> <li>All identification presented is foreign or cannot be checked for some reason.</li> <li>All identification documents presented appear new or have recent issue dates.</li> <li>Client presents different identification documents at different times.</li> <li>Client alters the transaction after being asked for identity documents.</li> <li>Client presents different identification documents each time a transaction is conducted.</li> </ul> <p>(FINTRAC examples of common indicators)</p>	<p>Patrons are required to provide valid acceptable government issued photo identification and limited personal information (Full Name, Date of Birth, Address - whether local or foreign and Occupation) should a large cash transaction be required. If they refuse or if they do not have appropriate ID on their person the transaction will not be completed and they will be asked to leave the casino until such a time as they are able to produce the correct documents. Surveillance records will be kept, and licence numbers if possible.</p> <p>Source of funds from patrons is not a FINTRAC requirement and as such it is not presently requested. It will be a requirement under the GPF proposals.</p> <p>Some of the personal information required is not verifiable by Casino staff, in particular that about occupation and as a result this information may not always be reliable.</p>

	GPE	FINTRAC	BCLC
Indicators	<ul style="list-style-type: none"> <li>Any financial activity that is contrary to the normal course of business.</li> </ul>	<p>As a general guide, a transaction may be connected to money laundering or terrorist activity financing when you think that it (or a group of transactions) raises questions or gives rise to discomfort, apprehension or mistrust. Remember that behaviour is suspicious, not people. Also, it is the consideration of many factors—not any one factor—that will lead to a conclusion that there are reasonable grounds to suspect that a transaction is related to the commission or attempted commission of a money laundering or terrorist activity financing offence. All circumstances surrounding a transaction should be reviewed, within the context of your knowledge of your client.</p>	<p>Casino employees are advised as part of their regular training and on an ongoing basis that it is their responsibility to raise any suspicions to security staff, who will then decide the appropriate action to take. Where activity is deemed to be suspicious reports will be made to FINTRAC, GPE, RCMP / IPOC and other relevant agencies.</p>
Proposal	<p>Once a transaction or attempted transaction has been deemed to be suspicious, and prior to it being completed, <b><u>the transaction must be refused</u></b> by the service provider at a commercial gaming facility and immediately reported to GPEB, Investigations Division via a Section 86 Report.</p>	<p>The requirement for you to <b>report</b> a suspicious transaction applies if you have reasonable grounds to suspect. This applies not only when the financial transaction has been completed, but also, when it has been attempted.</p> <p>There is no requirement under the <i>Proceeds of Crime (Money Laundering) and Terrorist Financing Act</i> to close a client's account or stop dealing with the client when you have reported or are preparing to report a suspicious transaction. This is entirely up to you and your business practices.</p>	<p>BCLC and our Casino Partners operate to FINTRAC requirements and do not refuse transactions except in very limited circumstances mainly related to lack of appropriate ID or the issuing of winners cheques.</p> <p>Reports of all suspicious transactions are made to FINTRAC, GPE, RCMP / IPOC and other relevant agencies.</p> <p><i>-note the Ontario method of involving police at the source</i></p>

## Large Cash Transactions

	GPE	FINTRAC	BCLC
Principle	<p><b>'Large Cash Transactions'</b> is a potential component of suspicious activity. There are laws that define requirements related to Anti Money Laundering and Anti Terrorist Financing. Of interest here is the use of risk management principles related to the transacting of large sums of cash as a method of reducing risk to the gaming industry and the Province.</p>	<p>If you are a reporting entity as described in section 2, you have to send a large cash transaction report to FINTRAC in the following situations:</p> <ul style="list-style-type: none"> <li>You receive an amount of \$10,000 or more in cash in the course of a single transaction; or</li> <li>You receive two or more cash amounts of less than \$10,000 each that total \$10,000 or more.</li> </ul>	<p>BCLC reports all Large Cash Transactions as required by FINTRAC. FINTRAC does not define Large Cash Transactions as suspicious, and we expect them in the course of casino business because of the limitations on other financial instruments. In 2008 we reported 32,000 large cash transactions across all the casinos.</p>
Commentary	<p>Requirements are already in place to deal with accepting and reporting legally defined large cash transactions. FINTRAC information collection and reporting is clearly recognized by BCLC.</p> <p>Risk management of this activity works in conjunction with the laws dealing with Anti Money Laundering and Anti Terrorist Financing.</p> <p>Managing large cash transactions also involves the 'Know your client' approach in obtaining and recording of information. This is well defined in the FINTRAC requirements and in BCLC operations. There are further risk management techniques that will be discussed on the subject of 'customer risk'.</p> <p>In addition to the above, the diligence must include a standard for dealing with aggregating smaller sums of cash over a time period. This is discussed in the previous page as the notion of breaking up large sums, either personally or through nominees.</p>	<p>FINTRAC has an electronic reporting requirement for all large cash transactions with associated record keeping and client identification requirements.</p> <p><i>Large cash transaction reporting is separate and additional to suspicious transaction reporting.</i></p> <p>If anything about a large cash transaction gives you reasonable grounds to suspect that it could be related to a money laundering or a terrorist activity financing offence, you have to make a suspicious transaction report to FINTRAC. This would be in addition to making the large cash transaction report about the same transaction as required,</p>	<p>Our recent risk review by IPSA International highlighted the risk of using cash as the principle means of transaction, and this is one of the drivers for the introduction of the Patroni Gaming Fund account. However at present BC Casinos are unable to use other financial instruments, so this risk remains.</p> <p>BCLC does not at present conduct formal risk assessments of individual patrons or use different approaches when considering different client groups. This is a piece of work that is currently underway. At present every case is considered on the presenting features.</p> <p>There are tracking systems in place to ensure that Large Cash Transactions are completed when a patron cumulatively buys chips to the Large Cash Transaction threshold.</p>

	GPE	FINTRAC	BCLC
Proposal	<p>Key risk management principles with respect to large cash transactions can include:</p> <ul style="list-style-type: none"> <li>o Setting an upper limit for <b>redeeming</b> chips, tokens for cash in any one transaction;</li> <li>o Setting an upper limit for <b>wagers</b> of cash in any gaming activity;</li> <li>o Setting an upper limit for <b>sales</b> of chips or tokens for cash.</li> </ul>	<p>FINTRACs only requirement is to report all transactions over \$10,000, together with the appropriate record of identification.</p>	<p>BCLC is unclear as to the rationale for setting limits. As our patrons have no alternative to using cash when gaming at our casinos the fact that large amounts of cash transactions take place is not in itself an indicator of money laundering activity taking place.</p> <p>Wagers are limited by table rules set by casinos and BCLC on the general floor, and in the high limit rooms by BCLC operations. For most casino operations the limit is \$5,000 per gaming table square. There are no limits on the amount of wagers that may be placed by a patron in the course of play.</p> <p>Limiting the sales of chips or tokens for cash would only be possible if there were alternative means to purchase chips or tokens. Until the Patron Gaming Fund is established limiting sales would most likely reduce play and could result in our patrons choosing to travel to non BC casinos in future.</p> <p>Likewise limiting the amount of chips or tokens that could be redeemed in a transaction would be likely to cause upset to patrons and might well result in lower levels play or loss of patrons to alternative establishments. Patrons might perceive such a limitation to be against their interests as there is currently no alternative method for them to get their money back once chips or tokens have been purchased.</p> <p>Even when the Patron Gaming Fund is in place we expect that many of our patrons will continue to wish to use cash for play. Any limits would therefore have to be carefully considered.</p>

## Verified Win

	GPE	FINTRAC	BCLC
Principle	<p>'Verified win' will be defined for both table game and slot machine activity. Policy and procedures for 'verified wins' and the issuance of service provider cheques will be defined to ensure that there is documented verification of the 'win' and an adequate audit trail to support any subsequent transaction such as, issuance of a service provider cheque.</p> <p>The definition for 'verified win', for both table game and slot machine activity, is:</p>	Not covered by FINTRAC	<p>BCLC policies clearly set out the definition of a verified win.</p> <p>Winners cheques are only issued when a win is verified by either the table supervisor on confirmation with the relevant dealer or is a jackpot win. Both wins are documented: A photocopy of the table tracking card or the slot machine/electronic gaming device jackpot printout from Casino Management System or the Casino Link jackpot shall be attached to the players written request for a cheque as evidence of the verification.</p> <p>BCLC understands that this system is more robust than those currently used by Quebec or Ontario Casinos.</p>
	<ul style="list-style-type: none"> <li>Table game 'verified win' = net amount of chips held by a player once gaming activity is concluded (net amount = win less wagering amount); and</li> </ul>		<p>The BCLC definition is expressed differently as 'the money (chips) placed at risk versus the amount of chips held following the end of the patron's gaming activity'. This is essentially the win less the wagering amount, as defined by GPE.</p>
	<ul style="list-style-type: none"> <li>Slot machine 'verified win' = jackpot.</li> </ul>		<p>This is the definition currently used by BCLC</p>
Proposal	<p>'Verified win' and issuance of cheque policies and procedures must be improved to ensure that there is documented verification of the 'win' and an adequate audit trail to support any subsequent transaction, such as issuance of a service provider cheque.</p> <p>Improvements include, but are not limited to, the following:</p>		<p>There are existing procedures in place to ensure that all requests for winners cheques are verified, and that this is documented. There is an existing audit trail, with the appropriate paperwork (the table tracking card or the slot machine/electronic gaming device jackpot printout from Casino Management System or the Casino Link jackpot) attached to the players written request for a cheque.</p>
	<ul style="list-style-type: none"> <li>Cheques <b>must not</b> be issued for table game wins unless there is a complete documented tracking of a verified win;</li> </ul>		<p>This is already the case.</p>
	<ul style="list-style-type: none"> <li>CMS Cheque and Cash Redemption slips <b>must</b> be attached to Player Cheque Request paperwork to improve audit trail; and</li> </ul>		<p>This is already the case.</p>
	<ul style="list-style-type: none"> <li>Surveillance review of player activity <b>must</b> form part of 'verified win' documentation.</li> </ul>		<p>Surveillance is only reviewed where a problem is identified. In all other cases the request is either verified or rejected. Using surveillance for all requests for a winners cheque would be very time consuming, and unnecessary where there is confirmation from the dealer, approved by the supervisor, or documentation of the jackpot from the slot machine/electronic gaming device. Whilst the use of surveillance for verifying wins could be expanded this should be using a risk based approach, not for all wins.</p>

## Patron Gaming Fund

	GPE	FINTRAC	BCLC
Principle	<p>Principle: Proposed <b>Patron Gaming Fund</b> (PGF) account policies and procedures must incorporate the guiding principle, 'Know your Client' risk management approach in order to exercise appropriate diligence to ensure an understanding of the background of account holders and the source of funds.</p> <p>Proposed <b>Patron Gaming Fund</b> (PGF) account policies and procedures must include all requirements detailed in this document. As well the guiding principle, 'Know your Client' risk management approach must be used by gaming service providers in order to exercise appropriate diligence to ensure they understand the background of account holders and the source of funds.</p>	<p>There is no specific FINTRAC guidance on managing patron accounts, however Guideline 10 (A&amp;B) Submitting Casino Disbursement Reports to FINTRAC refers to a variety of disbursements transactions including:</p> <ul style="list-style-type: none"> <li>• front cash withdrawals;</li> <li>• safekeeping withdrawals;</li> <li>• advances on any form of credit, including advances by markers or counter cheques;</li> <li>• payments to clients of funds received for credit to that client or any other client; and</li> <li>• cashing of cheques or other negotiable instruments;</li> </ul>	<div style="border: 1px solid black; padding: 10px; text-align: center;"> <h3>Solicitor Client Privilege</h3> </div> <p>The 'Know your Client' approach is taught as part of the FINTRAC mandated training to all Casino staff.</p> <p>Knowledge of patrons will be limited however to the FINTRAC personal information requirements, the source of funds declarations and the known gaming behaviour of patrons.</p>
	<p>Improvements include, but are not limited to, the following:</p> <ul style="list-style-type: none"> <li>○ Only chips from a 'verified win' and Electronic Fund Transfers (EFT) from a Canadian Savings Institution (as defined by FICOM which includes banks, credit unions and trust companies) can be deposited into the account;</li> <li>○ Cash <b>must never</b> be deposited into a PGF;</li> <li>○ Chips purchased with cash by a PGF account holder <b>must not</b> be placed into the PGF account. This includes any chips that are 'verified wins' from cash purchased chips;</li> </ul>	<p>Where payments can be made in cash, by cheque, by transfer or many other methods.</p> <p>The guidance also refers to other financial transactions at casinos including</p> <ul style="list-style-type: none"> <li>• amounts deposited to the casino's bank account;</li> <li>• amounts deposited to a front money account; and</li> <li>• amounts applied to a casino credit account</li> </ul> <p>FINTRAC Guidance 8A Submitting Non-SWIFT Electronic Funds Transfer Reports to FINTRAC Electronically, also includes guidance for incoming or outgoing international electronic funds transfers over \$10,000 conducted by Casinos for their patrons.</p>	<p>The purpose of establishing the Patron Gaming Fund account is primarily to avoid patrons having to carry large amounts of cash to and from the casino. Limiting the use of the account in the way set out would seem to negate much of that purpose. For example patrons withdrawing \$10,000 to play, who then lose say half of those funds would not be able to redeposit the remaining \$5,000 should they decide to leave the casino. In addition there would not appear to be a rationale for disallowing the deposit of bank drafts or cheques. As players are allowed to purchase chips with cash there is no reason why they should not also be able to deposit cash for future purchase of chips.</p>

	<ul style="list-style-type: none"> <li>PGF account holders must not co-mingle any other chips with chips obtained from the PGF, other than chips obtained from 'verified wins';</li> </ul>	<p>These guidance documents show that FINTRAC has made provision for casinos with patron accounts similar to or more extensive in nature than the Patron Gaming Account proposed by BCLC.</p>	<p>This would seem impossible to monitor.</p>
	<ul style="list-style-type: none"> <li>Any transfer of chips to or from a PGF account must be accompanied by a PGF-authorized "PGF transfer slip"; and</li> </ul>		<p>Casino providers will be required to ensure that the proper accounting practices are followed to deposit and remove funds for the individual Patron Gaming Fund accounts.</p>
	<ul style="list-style-type: none"> <li>A PGF will immediately be terminated for any violation of the foregoing requirements.</li> </ul>		<p>BCLC casino security investigators will be responsible for overseeing the Patron Gaming Fund accounts to ensure that these accounts are being properly managed and all policies and procedures complied with. Where there are violations this will be investigated, reported as required and accounts closed where this is the appropriate course of action.</p>